Interreg
NEXT MED

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Model of Grant Contract

(for information only)

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INTERREG NEXT MED PROGRAMME 2021- 2027

GRANT CONTRACT

<Grant contract identification number>

Project ref. number XXXXXXXXXXX

(the "Contract")

The Autonomous Region of Sardinia acting as Managing Authority of the Interreg NEXT MED Programme (MA), represented by _____, head of the Operational and Authorizing Unit, Via Bacaredda 184, 09127 Cagliari – Italia ("the Managing Authority")

of the one part,

and

Full official name of the Lead Partner,

[<Legal status (organisation)>]

[<Organisation official registration number>]

<Full official address>

[VAT number, for VAT registered beneficiaries**]**,

(the "Lead Partner")

represented by XXXXXXX, as Legal representative

of the other part,

(the "Parties")

have agreed as follows:

Preamble

The Lead Partner ensures that the Project is implemented and managed in accordance with the applicable EU regulations as well as the horizontal policies of the European Union, Programme rules and relevant national legislation.

The provisions of this Grant Contract (hereinafter the Contract) will be based on the following legal framework:

- Regulation (EU, EURATOM) n. 2509/2024 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union;

- Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests;
- Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe;
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund;
- Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments;
- Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions;
- Interreg VI-B NEXT Mediterranean Sea Basin (NEXT MED) Programme Document approved by Commission Implementing Decision C(2022) 9543 of 12 December 2022;
- All manuals and guidelines issued by the Programme, in their latest version;
- Financing Agreements signed between the European Commission and the Mediterranean Partner Countries;
- Applicable national rules;
- Programme guidelines applicable to the Lead Partner and Partners.

In case of amendment of the above-mentioned legal norms and documents the latest version shall apply.

Article 1 - Purpose

1.1 The purpose of this Contract is the award of a grant by the Managing Authority (the "MA") for the implementation of the Project entitled: <*title, Acronym, Code number of the Project*> (the "Project") described in Annex I – Project description.

1.2 This Contract is signed in accordance with the decision of the Monitoring Committee ("MC") of the Interreg NEXT MED 2021-2027 Programme ("the Programme") of <date/month/year> to award a grant to the Project.

1.3 The Lead Partner and the Managing Authority are the only parties (the "Parties") to this Contract.

1.4 This Contract and the payments attached to it may not be assigned to a third party in any manner whatsoever.

1.5 The Lead Partner shall be awarded the grant on the terms and conditions set out in this Contract and the annexes, which the Lead Partner hereby declares it has noted and accepted.

1.6 The Lead Partner accepts the grant and undertakes to carry out the Project under its own responsibility, in accordance with the description as laid down in Annex I.

1.7 The language of the present Contract is English. In case of a translation of this Contract entirely or in some part or Annexes into another language than English, the English version prevails.

Article 2 - Implementation period of the Project

2.1 This Contract shall enter into force on the date when the last of the two Parties signs.

2.2 Implementation of the Project shall begin on (*choose one of the following*):

- [the day following that on which the second of the two Parties signs]

- [a later date *(specify the date)*]

2.3 The implementation period of the Project, as laid down in Annex I is <*number of months*> *(max X months),* and can be modified according to articles 9, 10 and 11.

2.4The execution period of this Contract shall end at the moment when the final balance is paid or recovered by the MA and in any case at the latest 12 months as from the end of the implementation period as stipulated in art 2.3 above, unless this Contract is terminated according to Article 11.

2.5 The MA shall postpone the end date of the execution period, so as to be able to fulfill its payment obligations, in all cases where the Lead Partner has submitted a payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 23. The MA shall notify the Lead Partner of any postponement of the end date.

2.6 In any case, the cut-off date for the project implementation and the eligibility of expenditure is 31 December 2029.

Article 3 - Financing the Project

3.1 The total eligible cost of the Project is estimated at <enter the amount of heading XX of Budget. .....EURO >, as set out in the Budget of the Project, annexed to this Contract (Annex II).

3.2 The MA undertakes to finance a maximum of <.....EURO >, equivalent to <enter applicable percentage> of the estimated total eligible cost of the Project specified in paragraph 3.1. The final amount of the Programme'scontribution shall be established in accordance with Article 8.

Article 4 - General obligations and liabilities

4.1 The Lead Partner shall implement the Project with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management, with the best practice in the field concerned and in compliance with this Contract. For this purpose, the Lead Partner shall mobilise all the financial, human and material resources required for full implementation of the Project.

4.2 The Lead Partner shall act in partnership with other bodies identified in the Description of the Project (the "partners"). It may subcontract a limited portion of the Project. The bulk of the Project must, however, be undertaken by the Lead Partner and its partners.

Partners take part in the Project implementation, and the costs they incur are eligible in the same way as those incurred by the Lead Partner.

4.3 The Lead Partner alone shall be accountable to the MA for the implementation of the Project. It shall undertake that the conditions applicable to it under Articles 4.1, 4.2, 4.5, 4.7, 4.8,6.6, 8, 9.3, 10.1, 11.2, 11.4, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24 shall also apply to its partners, and those applicable under Articles 4.5, 16.4, 19, 20, 21, 22 and 24 to all its subcontractors. In particular, the Lead Partner should undertake that the conditions applicable to it under Article 17 on the recovery procedure shall also apply to its partners.

4.4 The MA cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Lead Partner and the other partners while the Project is being carried out or as a consequence of the Project. The MA cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

4.5 The Lead Partner shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Project is being carried out or as a consequence of the Project. The Lead Partner shall discharge the MA of all liability arising from any claim or legal action brought as a result of an infringement of rules or regulations by the Lead Partner or the Lead Partner employees or individuals for whom those employees are responsible, or as a result of violation of a third party's rights. For the purpose of this Article, employees of the Lead Partner shall be considered third parties.

4.6 The Lead Partner and the project partners ensure compliance with the State Aid provisions of EU Regulation no. 1059/2021 (Interreg Regulation) and the provisions of the Euro-Mediterranean Agreements between the European Union and Jordan, Tunisia, Egypt and Türkiye, for the whole duration of the Project and will ensure their compliance, as the case may be, by those organisations benefiting of Project activities and outputs. The amount of public funding granted to State Aid relevant activities included in the project is granted according to art. 20 of the 651/2014 General Block Exemption Regulation (GBER) as amended in June 2023 (Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014.

4.7 The Lead Partner and the project partners understand and agree that, for the sound implementation of the Contract, the MA may issue mandatory guidelines, manuals, instructions etc., in line with the provisions of the Contract.

Article 5 - Roles and responsibilities

The Lead Partner shall:

a. monitor that the Project is implemented in accordance with this Contract and ensure coordination with all partners in the implementation of the Project, in accordance with the provisions set in the Partnership Agreement (Annex III to this contract);

b. be the intermediary for all communications between the partners and the MA/Joint Secretariat;

c. be responsible for supplying all documents and information to the Managing Authority which may be required under this Contract, in particular in relation to the periodic reports and the Requests for payment. Where information from the partners is required, the Lead Partner shall be responsible for obtaining, verifying and consolidating this information before passing it on to the MA. Any information given, as well as any request made by the Lead Partner to the MA, shall be deemed to have been agreed with partners;

d. inform the MA of any event likely to affect or delay the implementation of the Project;

e. inform the MA of any relevant change in the legal, financial, technical, organisational or ownership situation of any of the partners, as well as, of any change in the name, address or legal representative of any of the partners;

f. be responsible in the event of audits, checks, monitoring or evaluations, as described in Article 16 for providing all the necessary documents, including copies of the most relevant supporting documents and signed copies of any contract concluded for the implementation of the Project;

g. establish the payment requests in accordance with Article 7 paragraph 2 of the Contract;

h. be the sole recipient, on behalf of all of the Partners, of the payments of the MA;

i. ensure that the appropriate payments are then made to the Partners without unjustified delay, in accordance with the conditions and the deadlines set in the Partnership Agreement and submit the proofs of transfer to the MA within 10 days from the date of the transfer s. The MA reserves the right to transfer funds directly to the partners in case of serious impediments of the Lead Partner, as well as to recover the sums unduly retained by the Lead Partner .;

j. not delegate any, or part of, these tasks to the Partners or other entities.

Article 6 - Reporting

6.1 The Lead Partner must draw up periodic reports, as detailed in paragraph 6.3, in the language of this Contract. These reports shall consist of a narrative and a financial section according to the model provided by the MA and shall be submitted via Jems[1], the electronic monitoring system of the Programme. Reports shall cover the Project as a whole, regardless of which part of it is financed by the MA. Each report must provide a full account of all aspects of the implementation for the period covered.

All reports shall be submitted together with the payment request, in order to obtain payment installments or final balance.

6.2 Additionally, the final report shall:

a. cover any period not covered by the previous reports;

b. include the proofs of the transfers of ownership as referred to in Article 22.6.

6.3 Periodic reports shall be produced according to the following deadlines:

Option2: Projects with a duration of 18 months

Type of report	Months covered by the report	Deadline for submission
1st Interim report	0-6	Within 2 months after the end of the reporting period
2nd Interim report	7-12	Within 2 months after the end of the reporting period
Final report	13-18	Within 3 months after the end of the reporting period

Option 2: Projects with a duration of 24 months

Type of report	Months covered by the report	Deadline for submission
1st Interim report	0-6	Within 2 months after the end of the reporting period
2nd Interim report	7-12	Within 2 months after the end of the reporting period
3rd Interim report	13-18	Within 2 months after the end of the reporting period
Final report	19-24	Within 3 months after the end of the reporting period

[1] https://jems.interregnextmed.eu/

Changes of these periods require prior approval of the MA.

6.4 If the Lead Partner fails to provide any report or fails to provide any additional information requested by the MA within the set deadlines without an acceptable and written explanation of the reasons, the MA may apply penalties referred to in Article 12 or may terminate this Contract according to Article 11.

6.5 The MA may request additional information at any time. The Lead Partner shall provide this information within 30 days of request.

6.6 Each interim or final report submitted by the LP to the MA via the JS must be accompanied by certificates confirming the eligibility of expenditure, both at the LP and the PPs level, issued by controllers as referred to in Article 46 (3) of the Interreg Regulation, or by external auditors according to the control system set up by each Member State or Mediterranean Partner Country and in compliance with the requirements set by the legal framework of this contract

The controllers/auditors shall verify whether the costs declared by the Lead Partner and the partners and the revenues of the Project are real, accurately recorded and eligible in accordance with this contract and issue the expenditure verification report, drafted according to the model and instructions provided by the MA. The Lead Partner and the partners shall use the template of contract with the auditors provided by the MA.

The Lead Partner and the partners shall grant the controllers and the auditors all access rights necessary for the verification under the same conditions than the ones mentioned in Art. 16.4.

All expenditure verification reports shall be uploaded to the electronic monitoring system together with each Request for Payment.

6.7 The MA and the Audit Authority reserve the right, after agreement with the national responsible institution (National controller or Control contact point), to require that the controller/auditor directly selected by the Lead Partner or Partners is replaced if considerations, which were unknown when the contract was signed, cast doubts on the controller/auditor's independence or professional standards, or if substantial errors are detected in reports previously submitted that cast a reasonable doubt of their reliability. The participation of the controllers/auditors in the training courses organised by the MA/JTS, is considered as mandatory requirement.

6.8 Reports on Sustainability

In case of a project including an infrastructure component, the lead Partner shall provide the MA/JS with all required information related to ensuring the sustainability of the project, in accordance with art. 17.8 of the Contract. In this respect the Lead Partner shall submit yearly sustainability reports, for 5 years following the project closure.

The MA may decide to ask the Lead Partner of projects which do not include an infrastructure component to provide sustainability reports for the 5 years following the project closure.

The annual deadline for the submission of the above-mentioned reports is of maximum 60 days from the day and month of the payment of the final balance to the project.

Article 7 - Payment arrangements

7.1 Payments shall be made according to the following procedure:

Advance payment

An advance payment of <_____Euro> shall be granted from Interreg funds, representing 20% - 25% - 30% of the value of the contract. The MA shall pay the advance within 30 working days, as from the date of the registration of the Lead Partners' bank account details, subject to availability of Interreg funds (and to the registration of the State Aid). The signed Contract serves as payment request. The MA may suspend this deadline in case clarifications, modifications or other additional information are needed. The information/clarifications/additional documents must be provided by the Lead Partner in maximum 10 working days from the request.

The MA shall transfer the advance payment to the Lead Partner in maximum 30 days from the date of the approval of the payment request.

The Lead Partner shall transfer the corresponding amounts of the Grant to the Partners without delay, proportionally to each Partner's contribution to the Project, in accordance with the provisions of the Contract and the Partnership Agreement, without making any deduction, retention or further specific charge, and shall submit the proof of transfer to the MA within 10 days from the date of the transfer.

The advance payment will be recovered by deducting 20% of the amount of the following payments. If the advance is not entirely recovered from the interim payments, the final balance payment will be reduced of the missing amount.

According to the risk analysis carried out by the MA, the Lead Partner shall:

1. Suspend the transfer of the advance payment to the partner n. X upon delivery of a financial guarantee of the same amount;
2. Suspend the transfer of the advance payment to the partner n. X upon delivery of a financial guarantee of the same amount to the benefit of the related National Authority;
3. Reduce the amount of the advance payment to the partner n. X to 10% of the respective budget share, and condition the subsequent installments to intermediate technical and financial reporting;
4. ….

Without prejudice to the above, the Lead Partner shall transfer the corresponding amounts of the Grant to the Partners without delay, proportionally to each Partner's contribution to the Project, in accordance with the provisions of the Contract and the Partnership Agreement, without making any deduction, retention or further specific charge, and shall submit the proofs of transfer to the MA according to art. 5.i of the Contract.

Further payment requests

The LP is entitled to request further payments from the MA following the reporting procedures defined in JeMS. The payment request shall be drafted using the model provided by the Managing Authority and shall be accompanied by:

a) the Interim or Final report in line with Article 6;

b) with the exception of the advance payment, individual expenditure verification reports (one for the Lead Partner and one for each partner), produced by the controllers according to Art. 6.

Further payments shall correspond to the Programme contribution on the total amount of eligible expenditure reported, net of the 20% recovery of the advance payments.

Payments of the interim instalments and of the final balance shall be made by the MA within 80 days from the date of submission of the report in Jems; the deadline may be interrupted if further information or clarification is requested in order to establish the amount due. The Lead Partner shall submit to the MA the proofs of transfer of further instalments to the project partners according to art. 5.i of the Contract.

7.2 The Managing Authority shall make payments, under the condition of availability of EU funds, to the bank account communicated by the Lead Partner, which allows the identification of the funds paid for the implementation of the Project. The Managing Authority shall make payments only in EURO.

Payments shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information provided.

7.3 Suspension of the period for payments

Without prejudice to Article 10, the deadlines for payments may be suspended by the Managing Authority by notifying the Lead Partner that:

a) the payment requested is not due, or;

b) proper supporting documents have not been supplied, or;

c) the MA needs clarifications, modifications or additional information to the reports, or;

d) the MA has doubts on the eligibility of expenditure and it is necessary to carry out additional checks, including on-the-spot checks to make sure that the expenditure is eligible, or;

e) it is necessary to verify whether presumed substantial errors, fraud or corruption have occurred in the grant award procedure or the implementation of the Project, or;

f) it is necessary to verify whether the Lead Partner and Partners have breached any substantial obligations under this Contract.

The suspension of the deadlines for payments starts when the above notification is sent to the Lead Partner. The Lead Partner shall provide any requested information, clarification or document within 30 days from the date of the request. The deadline starts running again on the date on which a correctly formulated request for payment and / or the required additional documents or information are recorded.

If, notwithstanding the information, clarification or document provided by the Lead Partner, the payment request is still inadmissible, or if the award procedure or the implementation of the grant proves to have been subject to substantial errors, fraud, or breach of obligations, then the Managing Authority may refuse to proceed further with payments and may, in the cases foreseen in Article 11, terminate accordingly this Contract.

In addition, the Managing Authority may also suspend payments as a precautionary measure without prior notice, prior to, or instead of, terminating this Contract as provided for in Article 11.

7.4 Financial Reports shall be submitted in EURO and may be drawn from financial statements denominated in other currencies, on the basis of the Lead Partner and partners applicable legislation and accounting standards.

In such case and for the purpose of reporting, conversion into EURO shall be made, in accordance with article 38.5 of Regulation (EU) 2021/1059, using the monthly official accounting exchange rate of the European

Commission for the month during which the expenditure was submitted for examination to the controllers for its verification at each payment claim.

Article 8 - Final amount of the grant

The grant may not exceed the maximum ceiling in Article 3.2 either in terms of the absolute value or the percentage stated therein.

If the eligible costs of the Project at its end are less than the estimated eligible costs as referred to in Article 3.1, the grant shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 to the eligible costs of the Project approved by the MA.

In addition, and without prejudice to its right to terminate this Contract pursuant to Article 11, the final amount of the grant by be reduced if provisions of Articles 12 and 13 apply.

Article 9 - Amendment of the contract

9.1 This Contract and its annexes can be modified during its execution period. Any amendment shall be set out in writing.

9.2 The amendment may not have the purpose or the effect of making changes to this Contract that would call into question the Grant Award decision or be contrary to the equal treatment of beneficiaries and shall be compliant with the Programme Rules and with the provisions of the Grant Contract itself. The maximum grant referred to in Article 3.2 may not be increased.

The main types of amendments to the Grant Contract shall be referred to the following aspects:

- Budget
- Duration
- Partnership
- Activities, outputs, results and indicators.

9.3 An amendment is considered as minor if the changes of Budget, Partnership and Activities do not affect the basic purpose of the Project and the financial impact is limited to a transfer between the Budget Lines within the same cost category (including cancellation or introduction of a Budget Line), or a transfer between cost categories and/or among partners, involving a variation of 20% or less of the amount originally entered (or as modified by addendum). The Lead Partner may amend the Budget, the Description of the Project, or the partners' data, and inform the MA accordingly, in writing and at the latest in the next report, provided that admission and award criteria are respected.

Under no circumstances the maximum fixed percentages of the travel and subsistence costs and the administrative costs may be modified by a minor amendment to this Contract.

A maximum of one minor amendment per year is allowed under this Contract, except in case of special circumstances duly substantiated by the Lead Partner and accepted by the MA.

Changes of name, address, bank account, legal form or legal representative of the Lead Partner and/or partners, are not considered as minor amendments, but only as adjustments/integration of project information.

However, in duly substantiated circumstances, the MA may oppose the Lead Partner's choice of bank account.

9.4 A change to the duration of the Project implementation period, and any other substantial modifications to the Budget (with a financial impact higher than the one indicated in article 9.3), Partnership and Activities outputs, results and indicators, not affecting the basic purpose of the Project, are considered as major amendments which shall be subject to the approval of the MA upon submission of a duly justified request by the Lead Partner. Only one major amendment is allowed during the implementation period of the Project, unless duly justified circumstances emerge (e.g., the loss of a partner).

The request shall be submitted at least 30 days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by the MA.

The requests for the extension of the Project implementation period as laid down in Article 2 shall be accompanied by all the supporting evidence and submitted at least 60 days before the closing date. Requests received after these deadlines may be rejected.

The limitations and deadlines set in this paragraph may be amended when Article 10 par. 4 (force majeure) applies, or in case of exceptional circumstances duly substantiated and accepted by MA upon approval of the Monitoring Committee. Under no circumstances, however, the criteria for the grant award shall be modified by a major amendment. An addendum to the Grant Contract will be signed with the Lead Partner in order to allow the major modifications to enter into force.

9.5 After the signature of the Grant Contract, the MA may require to the Lead Partner minor adjustments or corrections to the Annex I – Description of the Project and Annex II – Budget of the Project, without affecting the limitations set in paragraphs 9.3 and 9.4.

Article 10 - Suspension

10.1 The Lead Partner may suspend implementation of the Project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The Lead Partner shall inform the MA and the concerned national authority without delay, stating the nature, probable duration and foreseeable effects of the suspension.

The Lead Partner or the MA may then terminate this Contract in accordance with Article 11. If the Contract is not terminated, the Lead Partner shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing the MA accordingly.

10.2 The MA, after prior information to the Monitoring Committee, may request the Lead Partner to suspend the implementation of the Project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. To this purpose, the MA shall inform the Lead Partner stating the nature and probable duration of the suspension.

10.3 Force majeure means any situation or event that:

- prevents either party from fulfilling their obligations under the Contract;
- was unforeseeable, exceptional situation and beyond the parties' control;

- was not due to error or negligence on their part (or on the part of third parties involved in the Project) and proves to be inevitable in spite of exercising all due diligence[2].

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the Project as soon as possible.

The party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

Force majeure cannot be used to justify situations caused by the Lead Partner's or a partner's negligence or by events that could reasonably have been anticipated.

The following cases are explicitly not considered force majeure:

- default of a service, defect in equipment or material or delays in making them available — unless they stem directly from a relevant case of force majeure;
- labour disputes or strikes;
- financial difficulties.

10.4 In case of suspension according to Articles 10.1 and 10.2, the implementation period of the Project shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the Project to the new implementing conditions.

10.5 The Lead Partner or the MA may then terminate this Contract in accordance with Article 11. If the Contract is not terminated, the Lead Partner shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow and after having obtained the approval of the MA.

The MA may also suspend this Contract or the participation of a Partner in this Contract if the MA has evidence that, or if, for objective and well justified reasons, the MA deems necessary to verify whether presumably:

a) the grant award procedure or the implementation of the Project have been subject to substantial errors and/or irregularities, fraud or corruption;

b) the Partners have breached any substantial obligation under this Contract.

The Lead Partner shall provide any requested information, clarification or document within 30 days of receipt of the requests sent by the MA. If, notwithstanding the information, clarification or document provided by the Lead Partner, the award procedure or the implementation of the grant prove to have been subject to substantial errors and/or irregularities, fraud, corruption, or breach of obligations, then the MA may terminate this Contract according to Article 12(2).

[2] Examples (force majeure): An earthquake, terrorist attack or volcanic eruption; delay in delivering equipment due to floods in the region/country. Examples (not force majeure): machine malfunctions, robberies; a subcontractor building a test site went bankrupt.

Article 11 - Termination of the contract

11.1 In the cases foreseen in Article 10.1, and 10.2, if the Lead Partner and/or the MA believe(s) that this Contract can no longer be executed effectively and/or appropriately, it shall duly consult the other in writing and inform the concerned national authority. Failing agreement on a solution, the MA may terminate this Contract, after prior information to the JMC, by notifying the decision to the Lead Partner within one month from the date of termination, without being required to pay any indemnity.

11.2 Without prejudice to Article10, in the following circumstances the MA may, after having duly consulted the Lead Partner and the concerned national authority, terminate this Contract without any financial indemnity towards its part when:

a) the Lead Partner fails, without justification, to fulfil any substantial individual or collective obligation set by this Contract and, after being given notice to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of receipt of the notice. Where the obligation refers to the provision of bank account details or other provisions related to payments the MA may terminate the Contract after one year after its signature; where the obligation refers to the provision of reports as referred in Article 4, the MA may terminate the Contract after six months of delay from the deadlines established in Article 4;

b) the Lead Partner or any person that assumes unlimited liability for the debts of the Lead Partner is bankrupt, subject to insolvency or winding up procedures, is having its assets administered by a liquidator or by the courts, has entered into an arrangement with creditors, has suspended business activities, or is in any analogous situation arising from a similar procedure provided for under any national law or regulations relevant to the Lead Partner;

c) the Lead Partner, or any related entity or person, have been found guilty of an offence concerning their professional conduct proven by any means;

d) it has been established by a final judgment or a final administrative decision or by proof in possession of the MA that the Lead Partner has been guilty of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist related offences, child labour or other forms of trafficking in human beings or has committed an irregularity;

e) a change to the Lead Partner's legal, financial, technical, organisational situation or a change in the ownership of its shares or the termination of the participation in the Project substantially affects the implementation of this Contract or calls into question the decision awarding the grant;

f) the Lead Partner or any related person, are guilty of misrepresentation in supplying the information required in the award procedure or in the implementation of the Project or fail to supply – or fail to supply within the deadlines set under this Contract - any information related to the Project required by the MA;

g) the Lead Partner has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes, or any other substantial obligation set by the legal provisions of the country in which it is established;

h) the Lead Partner has failed to submit required reports, proof or necessary information requested by the Programme bodies within the set deadline, provided that the LP has received at least one

written reminder setting the deadline and specifying the legal consequences of a failure to comply with the requirements;

i) the MA has evidence that the Lead Partner, or any related entity or person, has committed substantial errors or irregularities, fraud or corruption in the award procedure or in the implementation of the Project;

j) the Lead Partner is subject to an administrative penalty clause referred to in Article 12;

k) the MA has evidence that the Lead Partner is subject to a conflict of interests;

l) the MA has evidence that the Lead Partner has committed systemic or recurrent errors or irregularities, fraud, corruption or serious breach of obligations under other grants financed by the European Union and awarded to that specific Lead Partner under similar conditions, provided that those errors, irregularities, fraud, corruption or serious breach of obligations have a material impact on this grant.

The cases of termination under points (b), (c), (d), (i), (k) and (l) may refer also to persons who are members of the administrative, management or supervisory body of the Lead Partner and/or to persons having powers of representation, decision or control with regard to the Lead Partner.

In the cases referred to in points (c), (f), (h) and (k) above, any related person means any physical person with powers of representation, decision-making or control in relation to the Lead Partner. Any related entity means, in particular, any entity which meets the criteria laid down by Article 9 of EU Regulation No 632/2010.

11.3 Upon termination of this Contract the Lead Partner shall take all immediate steps to bring the Project to a close in a prompt and orderly manner and to reduce further expenditure to a minimum.

Without prejudice to Articles 12, 13 and 17, the Lead Partner and the project partners shall be entitled to payment only for the part of the Project carried out, excluding costs relating to current commitments that are due to be executed after termination.

To this purpose, the Lead Partner shall introduce a payment request to the MA within 90 days starting from the date of termination.

In the event of termination due to force majeure, according to Article 11.1, the MA may agree to reimburse the unavoidable residual expenditures incurred during the notice period, provided, the first paragraph of this Article 11.7 has been properly executed.

In the cases of termination foreseen in Article 11.2 a), c), d), f), h) and k) the MA may, after having properly consulted the Lead Partner and depending on the gravity of the failings, request full or partial repayment of amounts unduly paid for the Project.

Article 12 - Administrative and financial penalty clauses

12.1 A Lead Partner which has committed substantial errors, irregularities, fraud or corruption, has made false declarations in supplying required information at the moment of the submission of the application or has failed to supply such information during the implementation of the grant, or has been found in serious breach of its obligations under the Contract shall be liable to:

(a) administrative penalties consisting of exclusion from all contracts and grants financed by the European Union budget for a maximum of five years from the date on which the infringement is established and confirmed following a contradictory procedure with the Lead Partner; and/or

(b) financial deductions from 2% to 10% of the value of the Interreg NEXT MED contribution the Lead Partner concerned is entitled to in accordance with the estimated budget set out in Annex II.

12.2 In the event of another infringement within five years following the establishment of the first infringement, the period of exclusion under point (a) may be extended to ten years and the range of the rate referred to in point (b) may be increased to 20%.

12.3 Without prejudice to the right to terminate the Contract referred to in Article 11 and without prejudice to the right of the Managing Authority to apply penalties referred to in Article 12.1, a financial deduction up to 10% may be applied to the total amount of the grant, to be deducted from Staff costs as estimated in the Budget of the Project – Annex II, occurring the following cases:

- if the Project is not implemented or is implemented poorly, partially or late, according to the scoring system adopted by the MA, in line with the actual implementation of the Project according to the terms laid down in the Contract;
- if the financial expenditure reported by the Lead Partner does not reach a minimum threshold of 50% of the previous payment received.

12.4 If the Lead Partner omits to send a report within the deadlines established as per Article 4, it shall comply with its obligations within 30 days after receiving a notice by the Managing Authority.

Failing this deadline (further 30 days) to be respected, a financial deduction of 5% is applied to the amount estimated in the Budget of the Project – Annex II for the Work Package “Project management”.

After 6 months after the end of the reporting period, as set up in Article 6, a financial deduction of 10% will be applied.

After 9 months after the end of the reporting period, as set up in Article 6, the Contract will be terminated according to Article 11, unless the provisions of Article 10 (suspension) are applicable.

12.5 The contribution cancelled as a result of a financial deduction applied in accordance with paragraphs 1 to 4 may not be reused within the Project. In this case, the grant amount is automatically reduced without any amendment to the Contract. The MA shall officially notify the Lead Partner of the financial deductions applied and the reduced amount of the grant.

Article 13 - Financial corrections

13.1 Pursuant to Article 103 of the Regulation (EC) No 1060/2021, the MA shall make the financial corrections required in connection with individual or systemic irregularities detected in the Project, under this contract.

Financial corrections shall consist of cancelling all or part of the EU contribution as per Article 3.2. The MA shall take into account the nature and gravity of the irregularities and the financial loss and shall apply a proportionate financial correction.

13.2 The contribution cancelled in accordance with paragraph 1 may not be reused for the Project. The maximum grant amount is automatically reduced without any amendment to the Contract. The MA shall officially notify the Lead Partner of the financial corrections applied and the reduced amount of the grant.

Article 14 - Eligible costs

14.1 Eligible costs are described in Ch V of the Interreg Regulation (EU) 1059/2021 and art. 63 and 64 of EU REG. 1060/2021. They are actual costs incurred and paid by the Lead Partner and its partners, which are compliant with the Programme rules and meet all the following criteria:

a. they are related to the implementation of the Project according to the latest approved version of the Application Form;
b. they are necessary for the implementation of the Project and would not have been incurred if the Project was not implemented;
c. they are indicated in the estimated overall budget for the Project;
d. they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
e. they are incurred and paid directly by the applicant/partners of the Project;
f. they are supported by expenditure and payment documents (e.g., contracts, invoices, proofs of payment documents etc.).
g. they are incurred during the implementation period of the Project;
h. they are recorded in the accounts of the Project partner through a separate accounting system, or an appropriate accounting code set up specifically for the Project;
i. they respect the eligibility rules of the EU, the Programme and the national rules of the country in which the Lead partner/partner is located;
j. they respect the applicable rules on procurement;
k. they are related to costs that are not financed by other European funds or other contributions from third parties; as this would constitute double financing;
l. they respect the rules of branding and communication established by the European regulations;
m. they are not in contradiction with any specific eligibility criterion applicable to the respective cost category.

Expenditure not complying with the applicable eligibility rules cannot be claimed, even if they are included in the approved budget.

The following costs relating to the implementation of the Project shall not be considered eligible:

a) interest on debt;
b) purchase of land for an amount exceeding 10 % of the total eligible expenditure for the concerned Project; for derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15 %;
c) fines, financial penalties and expenditure on legal disputes and litigation;
d) costs of gifts;
e) costs related to fluctuation of foreign exchange rate;
f) contributions in kind;
g) depreciation costs;

h) subcontracting between partners and/or associated partners of the same Project for services, expertise, equipment and works carried out within the Project;

i) costs for project website and logo (see section 2.7 “Communication and visibility” of the guidelines for applicants for more information) and communication material that is not in line with the rules;

j) staff costs of no partner organisations;

a) expenditure supporting relocation;

k) any expenditure not compliant with the national legislation(s) and/or with the financial agreements signed by the EC with the participating countries;

l) costs during a period of suspension (force majeure, as in art.10.4);

m) costs for services, supplies and work not delivered;

n) expenditure already funded in total with other public funds;

o) housing (residential building, domestic architecture).

Article 15 - Procurement rules

If the implementation of a Project requires procurement of goods, works or services by the Lead Partner and/or a partner, the procedures shall comply with the procurement rules set out in Article 58 of the Regulation (EU) no. 1059/2021, in Annex II of the Financing Agreements for MPC Countries, as well as in the specific provisions for each country and type of Lead Partner and the mandatory instructions issued by MA.

Article 16 - Accounting system, technical and financial checks

16.1 The Lead Partner and the project partners shall keep accurate and regular accounts of the implementation of the Project using an appropriate accounting and bookkeeping system according to the national legislation.

The accounts:

a) may be an integrated part of or an adjunct/external to the Lead Partner’s (and partners) regular system;

b) shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;

c) shall enable income and expenditure relating to the Project to be easily traced, identified and verified.

16.2 The Lead Partner shall ensure that any financial report as required under Article 6 can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose, the Lead Partner and the project partners shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

16.3 The MA, the European Commission, the European Anti-Fraud Office and the national anti-fraud agencies, the European Court of Auditors, the Audit Authority, the National Controllers, the national members of the Group of Auditors and the National Authorities established in participating countries reserve the right to check, at any time, the conformity of the Project funds’ commitment and disbursement with the Programme rules. In particular, they can verify that services, supplies or works have been performed, delivered and/or installed and whether expenditure declared by the Lead Partner and the partners has been

paid by them and that this complies with applicable law, Programme rules and conditions for support of the Projects. Verifications by MA shall include administrative verifications for each payment request by the Lead Partner and partners and on-the-spot Project verifications.

16.4 The Lead Partner and the partners shall allow verifications concerning the Project to be carried out by the MA, the Audit Authority, the European Commission, the European Anti-Fraud Office and the national anti-fraud agencies, the European Court of Auditors, the National Authorities established in the participating countries, and any other bodies / entities authorised by the MA or the above mentioned institutions and bodies that may exercise their power of control concerning premises, documents and information irrespective of the medium in which they are stored. The Lead Partner and the partners have to take all measures to facilitate their work.

The verifications described above shall also apply to the activities of contractors, subcontractors and any recipient of financial support who have received Programme financing. To this end, the Lead Partner and the partners shall ensure, through contractual provisions and any other means at their disposal, that these persons are legally bound by the same obligations as the Lead Partner and the partners themselves toward the above-mentioned institutions and bodies.

The Lead Partner and the partners shall allow the afore-mentioned entities to:

a) access the sites and locations at which the Project is implemented;

b) examine accounting and information systems, documents and databases concerning the technical and financial management of the Project;

c) take copies of documents;

d) carry out on the-spot-checks;

e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Project.

Additionally, the European Anti-Fraud Office and the national anti-fraud agencies shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud, corruption and other irregularities.

Where appropriate, the findings may lead to recovery by the MA.

Access given to agents of the afore-mentioned bodies shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

16.5 If the MA or the European Commission carry out interim, ex post evaluation or monitoring missions, the Lead Partner shall undertake to provide them and/or the persons authorized by them with any document or information which will assist with the evaluation or monitoring mission and grant them the access rights described in Article 16.4.

16.6 The Lead Partner and the project partners shall keep all records, accounting and supporting documents related to this Contract for a 5-year period from 31 December of the year in which the last payment by the MA to the Project is made, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of. All documentation related to State Aid relevant activities shall be kept for 10 years from the date the aid was granted.

All the supporting documents shall be available either in the original form, including in electronic form, or as a copy. They shall be easily accessible and filed so as to facilitate their examination and the Lead Partner shall inform the MA of their precise location (to be claimed in Jems).

In addition to the reports mentioned in Article 6, the documents referred to in this Article include *inter alia*:

a) Accounting records (computerised or manual) from the Lead Partner and the project partners' accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information;

b) Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;

c) Proof of commitments such as contracts and order forms;

d) Proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates) etc.;

e) Proof of receipt of goods such as delivery slips from suppliers;

f) Proof of completion of works, such as acceptance certificates, together with pictures;

g) Proof of purchase such as invoices and receipts;

h) Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;

i) For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;

j) Staff and payroll records such as contracts, salary statements and time sheets, stating actual work, assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

Failure to comply with the obligations set forth in this Article constitutes a case of breach of a substantial obligation under this Contract. In this case, the MA may in particular suspend the Contract, payments or the time-limit for a payment, terminate the Contract and/or reduce the grant.

Article 17 - Irregularities and recoveries

17.1 Irregularities may be reported during Project implementation and after its closure by any authority, entity or person involved in Programme management and/or implementation, whistle-blowers or other bodies and individuals, including anonymous ones. An irregularity refers to any amount unduly certified and paid to the Lead Partner and/or to the partners according to the provisions of this Contract and to the Programme rules, due to errors or fraud attributable to the Lead Partner and/or the partners.

17.2. If an irregularity is confirmed, the MA shall recover the unduly paid amounts from the Lead Partner, according to the provisions set in article 52 of Regulation (EU) 1059/2021. The concerned partners shall repay the Lead Partner the amounts unduly paid in accordance with the partnership agreement signed between them. If the Lead Partner does not succeed in securing repayment from the concerned partner, it will have to inform promptly the Managing Authority that shall formally notify the latter to repay to the Lead Partner.

If the partner concerned does not repay the Lead Partner, the MA shall request the participating country in which the partner concerned is established to reimburse the amounts unduly paid.

17.4 Payments already made do not preclude the possibility for the MA to issue a recovery procedure following an expenditure verification report, a check, an audit or further verification of the payment request.

17.5 If a recovery is justified under the terms of this Contract, the Lead Partner undertakes to repay the MA these amounts, within 45 days of the issuing of the debit note, the latter being the letter by which the MA requests the amount owed by the Lead Partner and/or by the partners, including bank charges incurred by the MA for the payment to the Lead Partner of the amounts which become due to the MA.

17.6 Amounts to be repaid to the MA may be offset against amounts of any kind due to the relevant partner, after informing it accordingly.

17.7 Should the concerned partner fail to make repayment within the deadline set by the MA, the MA may increase the amounts due by adding interest at the rate applied by the European Central Bank to its main refinancing transactions in euro, on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the MA, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.

17.8 Bank charges incurred by the repayment of amounts due to the Managing Authority shall be borne entirely by the concerned partner.

17.10 Pursuant to Art. 65 of the Reg. (EU) 1060/2021, the concerned Lead Partner of a Project including an infrastructure component or productive investment shall repay the Programme contribution if, within five years of the final payment or within the period of time set out in state aid rules where applicable, the Project is subject to:

a) a cessation or transfer of a productive activity outside the NUTS level 2 region or Programme eligible territory in which it received support;

b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;

c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Sums unduly paid shall be recovered by the MA in proportion to the period for which this requirement has not been fulfilled.

17.11 For irregularities discovered after payment of the final balance, the concerned partners may repay the due amounts directly to the MA, notifying the Lead Partner about this option.

17.12 Pursuant to art. 52 of the Reg. (EU) 1059/2021, without prejudice to the prerogative of the MA, if necessary, the Member State or the partner country where the Lead Partner and/or the concerned partner is established may proceed to the recovery by any means from the respective Lead Partner and/or partner.

Article 18 - No profit rule

18.1 The grant may not produce a profit for the Lead Partner and the partners. Profit is defined as a surplus of the receipts over the eligible costs approved by the MA when the request for payment of the balance is made. The calculation will be made partner by partner.

18.2 The receipts to be taken into account are the consolidated receipts on the date on which the payment request for the balance is made by the Lead Partner.

18.3 Where the final amount of the grant determined in accordance with the Contract would result in a profit, it shall be reduced by the percentage of the profit corresponding to the final EU contribution to the eligible costs actually incurred approved by the MA.

Article 19 - Conflict of interests and good conduct

19.1 For the purpose of this Contract, the conflict of interest shall mean any situation where there is a divergence between the fulfilment of responsibilities under this Grant Contract by the Parties and the private interest of the persons involved in the Contract, which may adversely affect the impartial and objective exercise of the functions of any person involved in the implementation/verification/control/audit of this Contract, for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

19.2 The Lead Partner and the project partners shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

19.3 Any conflict of interests which may arise during performance of this Contract must be notified in writing to the MA without delay. In the event of such conflict, the Lead Partner and the project partners shall immediately take all necessary steps to resolve it.

19.4 The MA reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.

19.5 The Lead Partner and the project partners shall ensure that their staff, including management,are not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this Contract, the Lead Partner shall replace, immediately and without compensation from the MA, any member of its staff in such a situation.

19.6 The Lead Partner and the project partners shall respect human rights and applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

Article 20 - Confidentiality

20.1 The MA and the Lead Partner and the project partners undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Contract and identified in writing as confidential until at least 5 years after the payment of the balance.

Data used for visibility purposes as laid down in Article 21, as well as for informing on and promoting the use of the Interreg funds, shall not be considered as having confidential status.

20.2 The Parties shall bear no responsibility for releasing information on the Contract if:

a) the information was released with the written agreement of the other Party; or

b) the Party was legally forced to release the information.

20.3 The Lead Partner and the project partners shall not use confidential information for any aim other than fulfilling their obligations under this Contract unless otherwise agreed with the MA.

20.4 The European Commission shall have access to all documents communicated to the MA and shall maintain the same level of confidentiality.

Article 21 - Visibility

21.1 The Lead Partner (LP) must take all necessary steps to publicize the fact that the Project is implemented through financial support of the European Union under the Interreg NEXT MED Programme. Such measures must comply with the rules for visibility as laid down in articles 47, 50 and Annex IX of Regulation (EU) 2021/1060, article 36 of Interreg Regulation (EU) 2021/1059, as well as any national regulations/requirements related to visibility, as the case may be. All information, communication and branding measures and activities of the Project shall be carried out in accordance with the aforementioned rules and relevant guidelines issued by the Programme on the matter.

21.2 The LP shall ensure that all Project Partners (PPs) comply with publicity, communication and branding obligations as specified in the visibility guidelines and other documents issued by the MA on the matter.

21.3 The Lead Partner shall highlight the Project and the European Union's financial contribution to it in any documents and communication material, and in any information given to Project final recipients, stakeholders, general audience, and in any dealings with the media, etc. The LP ensures that the Project logo is prominently and systematically displayed on all documents and communication material, including printed and digital products, developed for the purpose of the Project, including by Partners.

21.4 Communication and information material relating to the Project made in any form and by any means, including digital and online, must state that it only reflects the author's view and that the Programme authorities are not liable for any use that may be made of the information contained therein. Where relevant, the following statement must be included: "*This <document/video/publication/etc.> has been produced with the financial assistance of the European Union under the Interreg NEXT MED Programme. The contents of this <document/video/publication/etc.> are the sole responsibility of <Lead Partner's/Partner name> and can under no circumstances be regarded as reflecting the position of the European Union or the Programme management structures*."

21.5 The LP takes full responsibility for the content of any notice, publication and marketing product developed by the LP, any of the PPs or third parties on behalf of the LP or the PPs. The LP is liable in case a third party claims compensation for damages (e.g. because of an infringement of intellectual property rights). The LP will indemnify the MA in case the MA suffers any damage because of the content of the publicity and information material.

21.6 The Lead Partner ensures that the Project webpage hosted on the Programme website is updated according to the frequency set in the guidelines for Communication and Visibility and drafted according to the relevant editing rules issued by the Programme.

21.7 In line with Article 49 (3) of the CPR, the MA is authorized to publish relevant information on the Project, including but not limited to name and address of the LP and PPs, nationality, the purpose of the grant, description of the Project, duration and location as well as the maximum amount of the grant and the rate of EU funding of the Project, as laid down in article 8 if the Grant Contract. Derogation from publication of this information may be granted if it could endanger the Lead Partner and the project partners or harm their interests.

21.8 The LP shall ensure that communication and visibility material, including at the level of PPs, is made available upon request to the MA (and further to EU institutions, bodies, offices or agencies) and that a royalty-free, non-exclusive and irrevocable license to use such material and any pre-existing rights attached to it is granted to the MA (and further EU institutions, bodies, offices or agencies) in accordance with Annex IX of the Regulation (EU) 2021/1060.

21.9 Violations to visibility rules will lead to fund recovery according to the provisions of section 6 of Article 36 of Regulation (EU) 2021/1059.

Article 22 - Ownership/use of results and assets

22.1 Ownership of, and title and intellectual and industrial property rights to, the Project results, reports and other documents relating to it will be vested in the Lead Partner and its partners.

22.2 Without prejudice to Article 22.1, the Lead Partner grants the MA and the European Commission the right to use freely and as it sees fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Project whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

22.3 The Lead Partner shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this Contract.

22.4 In case natural, recognizable persons are depicted in a photograph or film, the Lead Partner shall, in the final report to the MA, submit a statement of these persons giving their permissions for the described use of their images. The above does not refer to photographs taken or films shot in public places where random members of the public are identifiable only hypothetically and to public persons acting in their public activities.

22.5 Beneficiaries and partners located in EU Member States may implement activities in Mediterranean Partner Countries involving equipment, vehicles and supplies. The supplies paid for by the Budget for the Project must be transferred to partners in the countries where the activities were carried out or to the final recipients of the Project, at the latest when submitting the final report. Copies of the proofs of transfers of equipment and vehicles, the purchase cost of which was more than EUR 5.000 per item, must be attached to the final report. Such proofs must be kept for control purposes in all other cases.

Article 23 - Applicable law and dispute settlement

23.1 This Contract shall be governed by the law of the country of the MA, i.e., the Italian law.

23.2 The parties to this Contract shall do everything possible to settle amicably any dispute arising between them during the implementation of this Contract. To that end, the Lead Partner shall communicate in writing its position within 30 days from the MA decision being disputed. The MA shall reply within 30 days.

23.3 If the MA confirms its decision, the Lead Partner may submit the dispute to the courts of the country of the MA, i.e. Cagliari.

Article 24 - Data protection

24.1 All personal data mentioned in the Application form, in the Grant Contract and its annexes and in every other document provided for the scope of the award of the Grant Contract will be collected and processed by the MA in compliance with the terms and indications of Regulation (EU) 2016/679 of the European

Parliament and of the Council of 27 April 2016 (GDPR - General Data Protection Regulation), as specified in the *"Information note on personal data treatment according to GDPR"* (Annex IV).

All personal data held by the MA and/or collected within the framework of the negotiation, signature and implementation of the Grant Contract will be used solely for purposes related to the signature and implementation of the Contract itself, as well as for the information and communication activities carried out by the MA in the framework of the Interreg NEXT Med Programme.

The personal data collected by the MA can be transmitted to external bodies or subjects who perform activities or functions strictly connected to the implementation of the Grant Contract and to the Programme information and communication activities. Within the framework of the Programme information and communication activities, some of these data can also be diffused through the Programme website or other information tools, in compliance with the relevant provisions applicable to the Interreg NEXT Med Programme.

24.2 The Lead Partner and Partners shall limit access and use of personal data to that strictly necessary for the performance, management and monitoring of this Contract and shall adopt all appropriate technical and organizational security measures necessary to preserve the strictest confidentiality and limit access to this data, in compliance with Regulation (EU) 2016/679 (GDPR - General Data Protection Regulation).

Article 25 - Contact addresses

Any communication relating to this Contract must be in writing, state the number and title of the Project and be sent to the following addresses:

Managing Authority of the Interreg NEXT MED Programme

Regione Autonoma della Sardegna

Via Bacaredda, n.184 – 09127 Cagliari (Italy)

projects.nextmed@regione.sardegna.it

Copies of the documents referred to above, and correspondence of any other nature, should be sent to:

For the Lead Partner

<address of the Lead Partner for correspondence>, email___,

Article 26 - Annexes

The following documents are annexed to this Contract and form an integral part of the Contract:

Annex I - Description of the Project

Annex II - Budget for the Project and Financial Plan

Annex III - Partnership Agreement

Annex IV - Information note on personal data treatment according to GDPR (General Data Protection Regulation

In the event of conflict between the provisions of the present Contract and any Annex thereto, the provisions of the Contract shall take precedence.

For the MA of Interreg NEXT MED Programme,
Name and position,
Director of the Operational Management and Authorising Unit

Place, date: ……..

……

Signature and Stamp

For the Lead Partner
Name and position

Place, date: ……

……

Signature and Stamp