



HELLENIC REPUBLIC
MINISTRY OF ECONOMY
& DEVELOPMENT

MANAGING AUTHORITY OF EUROPEAN
TERRITORIAL COOPERATION PROGRAMMES

interreg - IPA CBC
Greece - Albania

JOINT SECRETARIAT OF THE INTERREG
IPA CROSS-BORDER COOPERATION PROGRAMME
"GREECE-ALBANIA 2014-2020"

Thessaloniki: 21 /06/2018

65 Leoforos Georgikis Scholis
GR-57001, Thessaloniki

Ref. No: 301067 /MA 2704

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To: **Mr. Christos Dionelis**
ERGA OSE S.A.
Karolou 27,
Athens, PC 104 37
Greece

SUBJECT: Subsidy Contract of the CB Railway project

Dear Lead Beneficiary,

Please find one copy of the Subsidy Contract of the **CB Railway** project, signed by the Special Secretary for ERDF and Cohesion Fund Programmes.

Μάρθα Βαφείδου

**The Head of the Managing
Authority**

Angeliki Bouziani

Attached

- Subsidy Contract
- Approved Application Form

Internal distribution:

- Special Secretary for ERDF & CF Funded Sectoral OPs
- MA of Territorial Co-operation Programmes Head (e-copy), Unit B2
- Joint Secretariat of the INTERREG IPA CBC Programme "Greece - Albania 2014-2020"



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**Interreg IPA Cross-border Cooperation Programme
"Greece-Albania 2014-2020"**

SUBSIDY CONTRACT No.< A2 -1.1 - 6 >

In Thessaloniki, today,15/06/2018....., at the premises of the
Managing Authority located at 65, Leoforos Georgikis Scholis , 570 01 Thessaloniki, Greece,

between

the Managing Authority of the Objective "European Territorial Cooperation Programmes" of the Ministry of Economy & Development, acting as the Managing Authority of the Interreg IPA Cross-border Cooperation Programme "Greece-Albania2014-2020", being a party to this contract and represented by Ms Evgenia Fotoniata, Special Secretary for ERDF and Cohesion Fund Programmes, of the Ministry of Economy & Development, hereinafter referred to as "Contracting Authority", on one side,

and

the ERGA OSE S.A., Lead Beneficiary of the operation (project) entitled "**Initiative for improving cross border transport through rail connection between Krystallopigi and Pogradec**"/ "**CB Railway**", hereinafter referred to as "Lead Beneficiary", based in Karolou 27, Athens, PC 104 37 represented by Mr. Christos Dionelis, Chief Executive Officer *on the other side*,

who hereinafter will be jointly referred to as "**the Parties**",

With regard to the framework of the provisions and documents hereunder:

1. The Regulations on the IPA II and ESI Funds, and in particular:
 - a) Regulation (EU) 231/2014 of the European Parliament and of the Council of 11th of March 2014 establishing an Instrument for Pre-accession Assistance (IPA II);

- b) Regulation (EU) 236/2014 of the European Parliament and of the Council of 11th of March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
 - c) Commission Implementing Regulation (EU) 447/2014 of the 2nd of May 2014 on specific rules for Implementing Regulation 231/2014 on IPA II;
 - d) Regulation (EU) 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
 - e) Regulation (EU) 1299/2013 that lay down the general rules governing the support of the European Regional Development Fund (ERDF) to the European territorial cooperation goal,
 - f) Commission Delegated Regulation (EU) No 481/2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
 - g) Commission Implementing Regulation (EU) No. 821/2014 of 28 July 2014 laying down rules for the application of Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data, and its modifications;
 - h) The INTERREG IPA Cross-Border Cooperation Programme "Greece – Albania 2014 – 2020", approved by the European Commission (Decision No C(2015) 5482 final of 30-07-2015)
 - i) The Financing agreement of the INTERREG IPA Cross-Border Cooperation Programme "Greece – Albania 2014 – 2020"
 - j) The EU and national Rules related to the:
 - public procurement & competition
 - eligibility of expenditure
 - protection of the environment
 - equal opportunities
 - non-discrimination
2. The decision of the Joint Monitoring Committee meeting of 14/07/2017 and the approved Application Form (Annex 2);
 3. The Applicants Package as in force;
 4. The partnership agreement between the Lead Beneficiary and the beneficiaries of the Operation (Project) "Initiative for improving cross border transport through rail connection between Krystallopigi and Pogradec"/ "CB Railway"

Hereby conclude the following:

Article 1
Content of the Contract

- 11.1. A subsidy is awarded to the Lead Beneficiary for the implementation of the project approved according to the decision taken by the Joint Monitoring Committee of the Interreg IPA Cross-border Cooperation Programme.
- 11.2. The present contract determines the funding conditions for the whole partnership as represented by the Lead Beneficiary. The Lead Beneficiary is subject to the terms and conditions set out in this contract and the annexes thereto. The Joint Monitoring Committee's approval decision of the project and the approved Application Form, form an integral part of this contract.
- 11.3. The Lead Beneficiary undertakes the obligation to implement the project in collaboration with the following two (2) beneficiaries:
- Beneficiary 2: Ministry Of Infrastructure and Energy, Sheshi Skenderbej 5, Tirana, Mr. Gentian Këri, General Secretary
- Beneficiary 3: Hellenic Railways Organisation S.A., 1-3 Karolou, Athens, PC 10437, Mr. Panagiotis Theocharis, Chief Executive Officer
- 11.4. The total budget for the approved project according to the Joint Monitoring Committee's decision amounts to 845.698,05 euros. The total amount for funding, and the amount of IPA II contribution are calculated on the total eligible costs of the project, as follows:

TABLE

Beneficiary	Institution	Country	Union Support (85%)	National Counterpart (15%)	Total Eligible Budget
Lead Beneficiary	ERGA OSE S.A.	Greece	227.193,44€	40.092,96€	267.286,40€
Beneficiary 2	Ministry Of Infrastructure and Energy	Albania	244.307,68€	43.113,12€	287.420,80€
Beneficiary 3	Hellenic Railways Organisation S.A.	Greece	247.342,22€	43.648,63€	290.990,85€
Total Budget			718.843,34€	126.854,71€	845.698,05€

- 11.5. The Union support co-financing rate of the project is set to 85% of the eligible expenditure for all project beneficiaries.
- 11.6. The Lead Beneficiary declares that the project beneficiaries have not, nor will they receive,

additional funding for the entire or part of the project from the European Union throughout the period of the implementation of the project.

Article 2

Duration of the Contract

- 2.1 The project implementation period is determined by the approved Application Form (Annex 2) as in force, which forms an integral part of this contract. The implementation period cannot exceed the 31st of December 2023.
- 2.2 Without prejudice to the provisions concerning the implementation of the project and the eligibility of expenditure, this contract enters into force on the date the last party signs it and expires the first day following the receipt of the final payment while any obligations arising from the EU and national legislation will still have to be respected.
- 2.3 For control and audit purposes, the Lead Beneficiary and Project Beneficiaries shall retain all files, documents and data relevant to the project on customary data storage media in a safe and orderly manner for at least three (3) years from 31st December following the year of the submission of the accounts to the European Commission in which the final expenditure of the concluded operation is included without prejudice to any relevant provisions of the national legislation of Greece and Albania. The Lead Beneficiary will be informed on the specific date by the JS/MA.

Article 3

Terms of Funding – Eligibility of Expenditure – Timetable

- 4.1. Approved funding is granted exclusively for the implementation of the project as described in the Application Form (Annex 2) of the project entitled **“Initiative for improving cross border transport through rail connection between Krystallopigi and Pogradec”/ “CB Railway”**, in accordance with the Applicants’ Package approved by the Joint Monitoring Committee.
- 4.2. Only the expenditure related to the project implementation is eligible for IPA II co-financing. Eligibility rules are specified by Commission Delegated Regulation (EU) No 481/2014 as well as by the provisions set out in the Programme and the related Programme Documents (Programme and Project Manual, etc.) in force.
- 4.3. Preparation costs are included in the total eligible budget provided they are made in accordance with eligibility rules of the specific Call for proposals and are directly related to the implementation of the project.
- 4.4. The starting date of eligibility of costs funded under the Programme is the 01st of January 2014 for the Greek beneficiaries and the 22nd of September 2014 for the Albanian beneficiaries.
- 4.5. Expenditures incurred after the finalization of the implementation period shall not be eligible. In case the project is not finalized within the eligible period for expenditures, the Lead Beneficiary and its project beneficiaries shall ensure the availability of the necessary funds, from their own budget for the finalization of the project.
- 4.6. The Lead Beneficiary undertakes the obligation to implement the project and transfer the IPA II funds linked to expenditure directly related to it, in accordance with the approved project timetable as described in the approved Application Form (Annex 2). Any deviation from the project implementation time table, not approved according to the procedures specified in the Programme

and Project Manual (project modification guidelines), will be deemed by the Managing Authority as partial or total non-performance of the project. In such a case, the Managing Authority reserves the right to reduce the project budget accordingly following a decision taken by the Joint Monitoring Committee of the Programme. The amount to be recovered will be calculated on the basis of the progress in the project implementation.

- 4.7. The Managing Authority reserves the right to consider the possibility of reducing the approved project budget in the following cases:
- a. In case that one (1) year after signing of the subsidy contract the total verified expenditure reported in the progress reports, with regard to the previous year, is less than 20% of the total project budget, the Joint Monitoring Committee, based on the proposal of the Managing Authority, may decide to reduce the budget of the project. If the reduction of the project budget is decided, this contract and respective annexes will be modified accordingly.
 - b. In case the IPA II annual contribution (as stated in the Interreg IPA Cross-border Cooperation Programme) is automatically de-committed by the European Commission, in accordance with the applicable provisions of Regulation (EU) 1303/2013 the EU budget of the approved project whose expenditure does not correspond to the one indicated in the approved timetable, the Joint Monitoring Committee, based on the proposal of the Managing Authority, may decide to reduce the budget of the project. Once the reduction of a project's budget is decided, this contract and its respective annexes will be modified accordingly.
 - c. In case the assessment of the Start-up time plan in the end of the start-up period, submitted to the JS/MA before the signing of the present contract, shows significant delays in project implementation, the Joint Monitoring Committee, based on the proposal of the Managing Authority, may decide to reduce the budget of the project and the project scope, given that the project remains operational.

Article 4

Progress Reports – Payment Requests – Payment of IPA II funds

- 4.1. The Lead Beneficiary submits to the Joint Secretariat the progress reports regarding project implementation activities in accordance with the timetable referred to in the approved Application Form and the Programme and the Project Manual in force.
- 4.2. For the thorough monitoring of the project's implementation a "Progress Report" is submitted to the Joint Secretariat by the Lead Beneficiary, every six (6) months, according to a calendar fixed in the subsidy contract. The Joint Secretariat receives the progress reports and checks/monitors the proper implementation of the approved operation as referred to in the subsidy contract according to the procedure laid down in the Description of the Management and Control System of the Programme. The Lead Beneficiary will use the official forms (Progress Reports) as in force, which are provided by the Managing Authority and the Joint Secretariat.
- 4.3. Should the Project Beneficiaries delay in submitting to the Lead Beneficiary their activity and financial reports, the Lead Beneficiary will still abide by the deadlines for submission included herein. When the missing information becomes available, the Lead Beneficiary should include it in the next progress report to the Joint Secretariat. However, should the Project Beneficiaries delay in submitting to the Lead Beneficiary their table of verified expenditure, the Lead Beneficiary will add the missing information on verified expenditures in its next progress report to the Joint Secretariat.

- 4.4. Advance payment may be provided to the Lead and Project Beneficiaries according to the provisions of the signed Financial Agreement for the Programme. The maximum amount of EU pre-financing that can be requested by a beneficiary amounts up to 20% of its EU contribution, as presented in the operation approved by the JMC. For beneficiaries located in Albania pre-financing is given if the Ministry of Europe and Foreign Affairs, in its role as guarantor for the pre-financing of the EU contribution indicates in writing, to the MA, the beneficiaries for which pre-financing is guaranteed.
- 4.5. All reports must be submitted in English, which is the official language of the Interreg IPA Cross-border Cooperation Programme.
- 4.6. Project funding concerns exclusively the eligible expenditure of the project, according to article 3 herein. The Lead Beneficiary must justify all payment claims for the relevant expenditure by providing sufficient proof on the project's progress in the Progress Reports.
- 4.7. Considering that payment of IPA II contribution is made by the European Commission in accordance with the EU provisions concerning the budget commitments of the IPA II Funds, the Lead Beneficiary will submit a payment claim to the Joint Secretariat every three (3) months and a Progress Report in accordance with the following schedule:

Reporting Periods	Deadlines for the submission of progress reports
January - June	30 th of July of the respective year
July - December	30 th of January of the following year

- 4.8. Payment claims are made on the basis of verified expenditure by the beneficiaries of the project. Verified expenditures of each beneficiary participating in the project is included in a "Certificate of verified expenditure" signed by a "controller", designated by each participating country, in which the beneficiary is located, in compliance with article 23 (4) of Regulation (EU) 1299/2013, certifying the eligibility of expenditure. Certificates of verified expenditure are sent with payment request to the Joint Secretariat by the Lead beneficiary every three (3) months. However, this condition does not apply for the months of November and December of each year. During these months, any certificate that is issued must be immediately forwarded by the beneficiary to the Lead Beneficiary who sends a payment request in turn to the Joint Secretariat, in order to contribute to the achievement of the N+3 annual target. Verified expenditure is inserted in the MIS of the Programme by the Joint Secretariat and on this basis an application for an interim payment claim is made to the EC by the CA periodically.
- 4.9. Payment of the eligible preparation cost, as specified in article 3 of this contract, should be included preferably in the first payment claim and progress report but not later than the end of the first year of the project's implementation.
- 4.10. The Joint Secretariat, Managing Authority, Certifying Authority, the National Authorities and the European Commission may at any time ask for supplementary information concerning payment claims or the project's implementation.
- 4.11. Even after the issue of all certificates of verified expenditure, there still may be deviations from the approved budget tables of the Application form in force (i.e. deviation from deliverable's budget or deviation from the "budget category" budget, etc.). The beneficiary must justify these deviations in the Final Report before acceptance by the JS/MA. After approval, the Final report will

comprise the final modification of the project. If not, the amounts exceeding the approved budget tables of the Application form in force will be deemed ineligible.

- 4.12. Payments of the Union support are made by the Certifying Authority subject to the availability of funding from pre-financing and interim payments on the basis of verified expenditures of the project beneficiaries.
- 4.13. Payments from the Certifying Authority to the Lead Beneficiary will be made in euro. In case of delay in the transfer of funds from the European Commission, the Lead Beneficiary and the rest of the beneficiaries are not entitled to claim any rights against the Managing Authority.
- 4.14. Expenditure incurred in a currency other than the euro should be converted into euros using the exchange rate of the Commission in the month during which the expenses have been incurred.
- 4.15. The Certifying Authority will transfer the IPA II contribution to an interest-free project dedicated bank account indicated by the Lead Beneficiary in writing the application form. The Lead Beneficiary shall further transfer the IPA II funds to the project Beneficiaries with the exception of those project Beneficiaries located in Greece, who will receive IPA II contribution from the Greek Public Investment Programme.
- 4.16. The Lead Beneficiary is obliged to transfer to the rest of the Project beneficiaries the IPA II funds, according to the reported and verified expenditure.
- 4.17. On the basis of the decision of the Joint Monitoring Committee of the Programme, the Lead Beneficiary may take action to recover from the project beneficiaries any amounts of IPA II contribution unduly paid concerning their participation in the project, as stated in article 6.4 with the exception of the project beneficiaries located in Greece for whom the MA/CA may withhold any amounts concerned from future applications of interim payments, setting off the relevant amounts in relation to the operation of the Greek Public Investment Programme. In any other case the procedure for recoveries of unduly paid amounts for beneficiaries located in Greece should be immediately initiated.
- 4.18. If funds from the European Commission are not transferred, the Managing Authority of the Interreg IPA Cross-border Cooperation Programme "Greece-Albania 2014-2020" shall be entitled to terminate the contract at any time without the Lead Beneficiary being entitled to claim any rights. In any case the decision of the Joint Monitoring Committee will be requested.

Article 5

Management structures of the project – Responsibilities of the Lead Beneficiary

- 5.1. The project partnership is governed by the Lead Beneficiary principle. The Lead Beneficiary legally represents the beneficiaries participating in the project vis-à-vis the Managing Authority, Joint Secretariat, the Certifying Authority, the participating countries, the Audit Authority and the European Commission.
- 5.2. The Lead beneficiary ensures the project overall management and coordinates the beneficiaries listed in Article 1.3 of this contract. It will be assisted in its role by a "Project Management Team" comprising representatives of all beneficiaries, taking decisions unanimously and governed by internal rules of procedures.
- 5.3. The Lead Beneficiary, vis-à-vis the JS/MA, accepts total responsibility for the implementation and management of the project as described in the approved application form and undertakes the responsibility to coordinate the rest of the beneficiaries participating in the project and ensures

that all beneficiaries referred to in article 1.2 of this contract undertake the obligation to participate in the implementation of the project.

- 5.4. The Lead Beneficiary shall ensure that the expenditure presented by the beneficiaries participating in the project has been incurred for the purpose of the project implementation and correspond to the activities agreed between those beneficiaries;
- 5.5. The Lead Beneficiary shall ensure that the expenditure presented by the beneficiaries participating in the project has been verified by the controllers;
- 5.6. The Lead Beneficiary shall be responsible for transferring the IPA II contribution to the beneficiaries participating in the operation who are not located in Greece, within one (1) month of its receipt and in full without withholding any amounts.
- 5.7. The Lead Beneficiary shall ensure that all beneficiaries including itself keep records and all documents concerning the implementation of the project.
- 5.8. The Lead Beneficiary shall inform the MA immediately of any event likely to cause a temporary or definitive interruption or any other deviation in the implementation of the project, especially a reduction in implementation costs, changing the objectives and activities as set out in the description of the project, a change to the operation's budget and any circumstance likely to have an impact on the subsidy's payment conditions;
- 5.9. The Lead Beneficiary is the only liable party against third parties and shall bear the responsibility of damages of any kind occurred to them during the implementation of the project. The Lead Beneficiary accepts that the Managing Authority shall not have any liability in respect of any claims or proceedings taken against the Lead Beneficiary for any breach of law caused by its employees or the beneficiaries of the project, and/or for any infringement of the rights of any third party.
- 5.10. The Lead Beneficiary shall lay down the arrangements for its relations with the beneficiaries participating in the operation in a "Partnership Agreement" comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid. The allocation of mutual responsibilities among the project beneficiaries is specified in the Partnership Agreement.
- 5.11. The LB has the right to submit any complaints on behalf of the partnership to the MA/JS.

Article 6 **Obligations and rights of the Managing Authority**

The Managing Authority:

- 6.1. Undertakes the obligation to check that provisions set out in this contract are met throughout the implementation and after the completion of the project.
- 6.2. Undertakes the obligation to ensure the consistency, legality and eligibility of expenditure based on information received by the Lead Beneficiary.
- 6.3. May under no circumstances, for any reason whatsoever, be deemed liable for damages caused to the staff and the property of the Lead Beneficiary or any beneficiary in the course of the project implementation. Therefore, any claim for damages or increase of the funding will not be accepted.
- 6.4. In case that the Managing Authority is notified about irregularities in the project and in particular on the basis of findings of the "controllers" or after an audit is conducted, and once the relevant amounts have been paid by the MA/CA, it will demand the return of all or part of the funding paid

out for the project from the Lead Beneficiary, who will claim repayment of the amounts concerned by the respective Beneficiary/ries with the exception of the project beneficiaries located in Greece, for whom the MA/CA may withhold any amounts concerned from future applications of interim payments, setting off the relevant amounts in relation to the operation of the Greek Public Investment Programme or ask for the return of the amounts concerned to a bank account indicated by the MA/CA. In any other case the procedure for recoveries of unduly paid amounts as provided for in the Greek regulatory framework for beneficiaries located in Greece should be immediately initiated. In addition, the MA shall proceed with the respective reduction of the budget of the project

- 6.5. The Lead Beneficiary in order to secure repayment of any unduly paid amounts will claim the amounts concerned by the respective beneficiary/ies, with the exception of the project beneficiaries located in Greece. In the event that the recovery of funds is not possible, the Lead Beneficiary must immediately inform the Managing Authority. If the Lead Beneficiary does not succeed in securing repayment from other beneficiaries, or if the MA/CA does not succeed in securing repayment from the Lead Beneficiary, the participating country, on whose territory the beneficiary concerned is located, shall reimburse the MA/CA any amounts that were unduly paid to that beneficiary in a given account provided under Greek law. The Managing Authority MA in collaboration with the Certifying Authority shall be responsible for reimbursing the amounts concerned to the general budget of the European Union.
- 6.6. Ensures that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification.
- 6.7. Ensures that the amortization of the advance payment is made in instalments by deduction from subsequent payment claims of every beneficiary, proportionately, until the final payment to the respective project beneficiary. The advance payment must be balanced by the final payment. In any case any amount paid as pre-financing should be totally cleared not later than when the project is officially closed.
- 6.8. Ensures that net revenue generated by the operation is deducted from the expenditure declared by the Lead Beneficiary and is not included in the request for payment submitted to the Commission, according to the method chosen by the MA and described in the Programme and Project Implementation Manual. In the eventuality that net revenue has been reimbursed to the LB it is considered as unduly paid amount and the procedure for the recovery of such amounts is to be followed.
- 6.9. The MA/JS complies and implements throughout the lifecycle of the action the principle of "zero tolerance" in terms of fraud prevention and corruption and is continuously vigilant on this subject. In case a fraud suspicion is detected by the MA, it adopts corrective measures with regard to the project implementation and the expenditure paid out or claimed for reimbursement, depending on the type and extent of the fraud suspicion identified.
- 6.10. Review and respond within a reasonable time to any disagreements, according to the provisions of the Programme.
- 6.11. Ensures that the application of State Aid rules is complied with by any project beneficiary that receives funding under any State Aid scheme and has the right to impose any relevant measure regarding the non-fulfilment of the beneficiary's relevant obligations. The MA monitors the application of the state aid rules concerned and undertakes the obligation foreseen in the relevant regulatory framework.

Article 7
Information and publicity

- 7.1. The Lead Beneficiary must ensure compliance of the project with Articles 115 and Annex XII of Regulation (EU) 1303/2013 and the Commission Implementing Regulation 821/2014 on information and publicity measures concerning co-financing from Structural Funds.
- 7.2. Any communication or publication about the operation, including information published online or during a conference or seminar must mention that the operation has been supported by the European Union, IPA funds and the Interreg IPA CBC programme "Greece-Albania 2014-2020", as per the communication and publicity rules drawn up by the Programme. In addition, the LB and all beneficiaries should ensure the publication of information on the content and the participation of beneficiaries in the co-financed operation.
- 7.3. Any communication or publication about the operation, in whatever form and on or by whatever media, including the Internet, must state that it reflects the author's views and that the Managing Authority shall not be held liable for any use that may be made of the information contained therein.
- 7.4. Any information, media appearance, or other publicity activity of the project shall be communicated to the Joint Secretariat for potential information and publicity activities.
- 7.5. The Managing Authority is authorised to publicise, the following information:
 - the name and purpose of the Project and its Lead Beneficiary and beneficiaries,
 - the objectives, budget and executive summary of the project,
 - the amount granted,
 - the geographical location of the project,
 - any other information agreed with the Lead Beneficiary,
 - progress in executing the project and the final report,
 - deliverables and results of the operation, including extracts.

Article 8
Modifications to the Contract

- 8.1. Any requests for project modifications should be duly justified and addressed to the Joint Secretariat.
- 8.2. The procedure for submission and approval of project modifications is described in detail in the Programme and Project Manual (project modifications guidelines) in force.

Article 9
Controls and Audit

- 9.1. Expenditure submitted for payment claim by the Lead Beneficiary to the Joint Secretariat must be verified by the first level controllers, according to the procedure described in the Verification Manual in force.
- 9.2. For control and audit purposes, the Lead Beneficiary should retain a copy of all beneficiaries' certificates of verified expenditure.

- 9.3. The Lead Beneficiary accepts that the competent services of the European Commission, of the participating countries, the European Court of Auditors and national authorities, the management bodies of the Programme, as well as the designated controllers/auditors will control/audit the financial management and implementation of the project through documents and on-the-spot checks.
- 9.4. To this end, the Lead Beneficiary and the project beneficiaries will:
- a. prepare all documents required for the above controls / audits,
 - b. provide and give access to all the necessary information and documents supporting an adequate audit trail,
 - c. give access to their business premises, throughout the implementation of the project, as well as within a period of three years starting from 31 December following the submission of the accounts in which the expenditure of the operation is included.

Article 10

Assignment of rights on the Project

- 10.1. The Managing Authority is entitled at any time to assign its rights under this contract. In case of assignment the Joint Secretariat will inform the Lead Beneficiary without delay.
- 10.2. The Lead Beneficiary may transfer or assign to a third-party rights and obligations stemming from this contract, in accordance with the national legislative framework of each participating country after the prior written consent of the Managing Authority and of the Joint Monitoring Committee.
- 10.3. In case of legal succession of the Lead Beneficiary, (i.e. change of the legal form) it is obliged to transfer its rights and obligations stemming from this contract to its legal successor and immediately inform in writing the Managing Authority about the succession.

Article 11

Intellectual Property Rights on the Project

- 11.1. The Lead Beneficiary shall ensure that all products developed within the framework of the project by all beneficiaries are kept free of all intellectual property rights. The project partnership explicitly commits itself to giving up all copyright on teaching material, methodologies and other products of any nature resulting from the project.
- 11.2. All products and rights (material and intellectual) that derive from the project and its deliverables will be the property of the partnership in their entirety. The deliverables and results of the project operation should be accessible and available for free to the general public in a usable format. The Managing Authority reserves the right to use any of them for information and communication actions in respect of the Interreg IPA Cross-border Cooperation Programme "Greece-Albania 2014-2020".
- 11.3. In case there are pre-existing intellectual and industrial property rights, which are made available to the project, these are fully respected.

Article 12

Conflict of interest and fraud prevention

- 12.1 The LB and all beneficiaries undertake the obligation to make every effort to prevent any risk of conflict of interest which could hinder impartial and objective execution of this contract.

- 12.2 Conflict of interest might arise when the impartial and objective execution of the operation is compromised for family or emotional reasons, political or national relationship, economic interest or any other reason.
- 12.3 The LB and all beneficiaries commit themselves to immediately solve any situation constituting a conflict of interest or is likely to lead to a conflict of interest and to inform the MA accordingly.
- 12.4 The LB and all beneficiaries undertake to comply with the principle of "zero tolerance" in terms of fraud prevention and corruption and to be especially vigilant on this subject. They also undertake to denounce any conduct likely to be considered as suspected fraud to the competent national authorities and to advise the MA of this.

Article 13

Termination of the Contract

- 13.1 The Managing Authority may terminate this contract and demand return of IPA II contribution and initiate the procedures for the return of the National co-financing, according to the national regulatory framework of each participating country, in full or in part, without being obliged to pay damages for doing so, in the following cases:
 - a. There is a project decision to cease the project's activities.
 - b. Where it is proved that false, or incomplete statements were made at any time.
 - c. Where it is proved that forged documents were produced at any time.
 - d. Non-performance of the obligations undertaken by the Lead Beneficiary under the contract herein, provided that such non-performance is not justified and the Lead Beneficiary, after being asked in writing to respect its obligations, fails to do so, or does not provide a satisfactory explanation within 30 calendar days from the date a written notice was delivered by the Managing Authority.
 - e. Use of all or part of the funds paid for purposes other than those envisaged in the present contract.
 - f. Concession by the Lead Beneficiary of the entire or any part of the project with the exception of article 10 of the present contract.
 - g. Non-respect of the provisions stipulated in this contract in respect of article 9 of the present contract.
 - h. Failure to submit the progress reports repeatedly within the reporting deadlines.
 - i. Where the Lead Beneficiary or any of the beneficiaries is found to be bankrupt or being wound up, has its affairs administered by the courts, has entered into an arrangement with its creditors, has suspended business activities, is the subject of legal proceedings concerning those matters or, is in any analogous situation arising from a similar procedure provided for in the national legislations or regulations.
 - j. Where the Joint Monitoring Committee has evidence on the Lead Beneficiary or any of the beneficiaries or any related entity or person of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Community's financial interests.
- 13.2 In case this contract is terminated, the Managing Authority has the right to demand the return of all or part of the amounts already paid out from all project beneficiaries. The beneficiaries are obliged to return any amounts owed under the terms of this contract to the Lead Beneficiary with the exception of the project beneficiaries located in Greece for whom the MA/CA initiate the procedure foreseen in the Greek regulatory framework for the recovery of amounts unduly paid to Greek beneficiaries and within the deadline stipulated in the Managing Authority's decision.
- 13.3 Should the Managing Authority exercise its right to terminate the contract, the Lead Beneficiary or

the rest of the beneficiaries shall not be entitled to offset any amounts owed to it by the Managing Authority for any reason whatsoever.

- 13.4 Should the Managing Authority exercise its right to terminate the contract, amounts owed will incur interest calculated from the date the first payment was made (due date) until the date such amounts are actually returned. The rate of such interest shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations, expressed in euro, on the first working day of the month in which the due date set by the Managing Authority falls, as specified in Regulation (EU) 1303/2013 article 147. Bank charges linked to the return of the amounts owed to the Managing Authority shall be exclusively born by the beneficiaries.
- 13.5 In cases which are provided for under article 10.1, the Managing Authority will, as a preventive measure, suspend payments without giving prior notice. The aforesaid provision will not affect the applicability of other measures or fines that could be imposed under the national legislation of the countries participating in the Programme.
- 13.6 In exceptional and properly justified cases, the Lead Beneficiary, with the consent of the project Management Team, may terminate the contract by giving a two (2) months' notice, in writing, to the Managing Authority. In such case, the Lead Beneficiary and the other beneficiaries may request to receive or keep the part of the public expenditure corresponding to the part of the project carried out at that point. The final decision on the matter is the responsibility of the Joint Monitoring Committee of the Programme after the proposal of the Managing Authority. In any case the application of this clause is without prejudice to the right of the Managing Authority to apply terms under article 4.
- 13.7 On the other hand, in exceptional and properly justified cases, the Managing Authority may, after consultation with and upon the decision of the Programme's Joint Monitoring Committee, terminate the contract by giving a two (2) months' notice in writing to the Lead Beneficiary without being obliged to pay any damages for doing so. In such case, the Lead Beneficiary is entitled to claim only the part of the IPA II contribution which corresponds to the part of the project implemented.
- 13.8 The Managing Authority reserves the right to terminate this contract if no payment claims and no Progress Report have been submitted within six (6) months from its signing.

Article 14

Annexes

Annexes are attached to this contract and the documents below will form an integral part hereof:

Annex 1: Project approval (Decision of the Joint Monitoring Committee of 14/07/2017).

Annex 2: Application Form

Annex 3: The Partnership Agreement

Article 15

Final Provisions

- 15.1 All communication made within the framework of this contract must be addressed to the Joint Secretariat of the Cross-border Cooperation Programme, in English and in writing, stating the acronym, specific objective, title, and the number of the contract and be sent to the following address:

Ministry of Economy & Development, Greece
Managing Authority of European Territorial Cooperation Programmes
Joint Secretariat of the Interreg IPA Cross-border Cooperation Programme "Greece-Albania 2014-2020",
65 Georgikis Scholis Ave
GR 570 01 Thessaloniki, Greece

Contact Person: Katerina Tsamouri
Tel.: +30 2310 469683
Fax : +30 2310 469602
E-mail: jts_gral@mou.gr; ktsamouri@mou.gr;
Web: www.greece-albania.eu

- 15.2 Should any provision of this contract become wholly or partly null, it is up to the Managing Authority to decide if it affects the whole of the contract and inform the Lead Beneficiary accordingly. The parties to this contract undertake the obligation to take all necessary actions to amend, if possible, the subject matter of this contract that is affected. In case some terms of this contract are declared void, illegal or unenforceable by a competent judicial authority, the two parties agree to modify such term or terms to reflect their intention.
- 15.3 Any modification to this contract, including its annexes, without prejudice to the provisions of article 10, must be made in writing and be subject to an addendum signed by both parties.
- 15.4 This contract is governed by Greek law and, should a dispute arise which cannot be settled amicably between the parties themselves, it will be brought before the competent Greek courts in Thessaloniki, Greece.
- 15.5 This contract shall be communicated, where necessary, to <authorities>, <title of authority, address, full name and position of responsible person, contact details> by the Lead Beneficiary.
- 15.6 All Programme Documents, referred to in this contract, will be available on the Programme's web-site. Any modifications of the above documents shall be announced on the Programme's web-site.

The above was agreed between the parties and in support thereof this contract was drawn up in two copies in English (one for the Managing Authority and one for the Lead Beneficiary) and signed as follows:

For the Lead Beneficiary



CHIEF EXECUTIVE OFFICER



CHRISTOS DIONELIS

For the Managing Authority

**SPECIAL SECRETARY FOR ERDF AND
COHESION FUND PROGRAMMES**



EVGENIA FOTONIATA