**PARTNERSHIP AGREEMENT**

for the implementation of the Project\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(Project title)*

funded under the 2014-2021 EEA Financial Mechanism – Active Citizens Fund.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(Full organization name)****,*** represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(name, surname, position),* hereinafter referred to as the **“Project Promoter”,** and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(Full organization name),*represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(name, surname, position),* hereinafter referred to as the **“Project Partner”,**

hereinafter referred to individually as a “Party” and collectively as the “Parties”,

*Note: The yellow parts of the agreement should be filled. Notes and recommendations about the agreement are provided in the green tables and should be deleted in the final version of the agreement.*

**HAVE AGREED AS FOLLOWS:**

## Article 1 – Scope and objectives

1. This Partnership Agreement (hereinafter referred to as the “Agreement”) defines the rights and obligations of the Parties and sets forth the terms and conditions of their cooperation in the implementation of the Project and its activities provided in the Annex 1 “Project Implementation Plan” to this Agreement.

2. The Parties shall act in accordance with the Guidelines for Applicants in the frame of the Active Citizens Fund in Lithuania funded under the EEA Financial Mechanism 2014-2021.

3. Any Annexes to this Agreement constitute an integral part of the Agreement. In case of inconsistencies between the Annexes and the Agreement, the latter shall prevail.

## Article 2 – Entry into force and duration

1. This Agreement shall enter into force on the date of the last signature by the Parties. It shall remain in force until the Project Partner has discharged in full its obligations towards the Project Promoter as defined in this Agreement.

## Article 3 – Main roles and responsibilities of the Parties

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this Agreement.

2. The Parties shall carry out their respective obligations with efficiency, transparency and diligence. They shall keep each other informed about all matters of importance to the overall cooperation and the implementation of the activities to be performed. They shall act in good faith in all matters and shall, at all times, act in the interest of the Active Citizens Fund and the Project.

3. Each Party appoints a Project team member who shall have operational responsibility for the implementation of the Project as well as serve as contact point for all exchanges of communication, documentation and materials between the Parties:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(name, surname, position, contacts)* is the responsible manager of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(Full organization name).*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(name, surname, position, contacts)* is the responsible manager of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(Full organization name).*

## Article 4 – Obligations of the Project Promoter

1. The Project Promoter is responsible for the overall coordination, management and implementation of the Project. It assumes sole responsibility for the successful implementation of the Project towards the Fund Operator.

2. The Project Promoter undertakes to, *inter alia*:

(a) ensure the correct and timely implementation of the Project’s activities;

(b) inform the Project Partner on all circumstances that may have a negative impact on the correct and timely implementation of any of the Project’s activities, and of any event that could lead to a temporary or final discontinuation or any other deviation of the Project;

(c) provide the Project Partner with access to all available documents, data, and information in its possession that may be necessary or useful for the Project Partner to fulfil its obligations;

(d) provide the Project Partner with a copy of the signed Project Contract, including any subsequent amendments thereof as of their entry into force;

(e) consult the Project Partner before submission of any request for amendment of the Project Contract to the Fund Operator that may affect or be of interest for the Project Partner’s role, rights and obligations hereunder;

(f) prepare and submit in a timely manner to the Fund Operator of Active Citizens Fund in Lithuania interim activities and financial reports as well as final activities and financial reports as is it is provided in Project Contract;

(g) transfer to the Project Partner’s nominated bank account all payments due by the set deadlines;

(h) ensure that the Project Partner promptly receives all assistance it may require for the performance of its tasks;

(i) [*list other obligations, if applicable*].

3. The Project Promoter is responsible for the performance of the following activities and tasks of the Project:

(a) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(b) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(c) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## Article 5 – Obligations of the Project Partner

1. The Project Partner is responsible for the performance of the following activities and tasks of the Project assigned to it:

(a) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(b) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(c) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. In addition to the above obligations, the Project Partner shall:

(a) inform the Project Promoter on relevant circumstances that may have an impact on the correctness, timeliness and completeness of its performance;

(b) provide the Project Promoter with all information necessary for the preparation of any reports due by the Project Promoter to the Fund Operator within the deadlines and according to the reporting forms set by the Project Promoter;

(c) immediately inform the Project Promoter of any cases of suspected or actual fraud, corruption or other illegal activity that come to its attention, at any level or any stage of implementation of the Project;

(d) keep all supporting documents regarding the Project, including the incurred expenditure, either in the form of originals or in versions certified to be in conformity with the originals on commonly accepted data carriers, for at least 3 yearsfrom the FMO’s approval of the final Active Citizens Fund Programme in Lithuania report;

(e) provide any bodies carrying out mid-term or ex-post evaluations of the Active Citizens Fund Programme, as well as any monitoring, audits and on the spot verifications on behalf of the EEA FM with any document or information necessary;

(f) effectively participate in promoting the objectives, activities and results of the EEA FM as well as the Donor(s)’s contribution to reducing economic and social disparities in the European Economic Area;

(g) [*list other obligations, if applicable*].

## Article 6 – Project budget

1. The detailed total Project budget, the budget share of *each Party/Project Partner* as well as the allocation of the budget, amongst the activities to be performed by *each Party/Project Partner* is fixed in Annex 2 “Project budget”.

2. Expenditures incurred by the Project Partner must be in line with the rules on eligibility of expenditure contained in the Project Contract and Guidelines for Applicants.

3. Indirect costs shall be claimed by the application of a flat rate of up to 15% of direct eligible staff costs, including in-kind contribution in the form of voluntary work hours.

## Article 7 – Payments to the Project Partner

1. Payments of the project grant share to the Project Partner shall take the form of *[specify the applicable forms of payments: advance payment, interim payments (which can be based either on a pre-financing of planned activities/expenditures or a reimbursement of incurred expenditure reported) and payment of the final balance].*

2. [*If an advance payment is foreseen, its maximum amount and the off-set mechanism should be specified here*]. [*If applicable*] The advance payment to the Project Partner shall be made no later than [number] of working days since Project Promoter receives the payment from FO.

3. Interim payments shall be paid based on [*specify how the Project Partner is to claim funds from the Project Promoter, i.e. based on a pre-financing of planned activities/expenditures or a reimbursement of incurred expenditure reported]*.

4. Interim payments to the Project Partner shall, be made within [*number of working days from receipt of the Partner’s payment claim or, in case deadlines are specified, the dates by which the Project Promoter shall transfer the amounts. Consider including a provision addressing the consequences of any delays in submitting payment claims by the Project Partner*].

5. Payment of the final balance shall be made [*specify in how many days since the approval of final report the final payment shall be made*].

6. All amounts shall be denominated in euros.

|  |
| --- |
| *The provision of funds to the Project Partner will normally be made in the in euro. The reporting currency of incurred expenditure is euro. Expenditure incurred by the partner, in any other currency, shall be converted into the reporting currency according to the valid exchange rate as recorded by the European Central Bank, valid on the day/month in which the expenditure was incurred.* *This Agreement should specify which entity will bear the exchange rate risk. Please note that the exchange losses are not eligible and shall not be covered from the project expenditures (Article 4.4.1(e) of the PIA).* |

7. Payments to the Project Partner shall be made to the Project Partner’s bank account, identified as follows: [*specify bank account details of the Project Partner: name of bank, address of branch in full, exact designation of account holder, full account number including IBAN and BIC/Swift codes*].

8. Payments shall be deemed to have been made on the date on which the Project Promoter’s account is debited.

## Article 8 – Proof of expenditure

1. Proof of expenditure shall take the following form: (*see different options below*).

|  |
| --- |
| *The proof of expenditure to be submitted by the Partner may take a form of:* *1) receipted invoices or accounting documents of equivalent probative value;* *2) a report by an independent auditor, qualified to carry out statutory audits of accounting documents, certifying that the reported costs are incurred in accordance with the Project contract, the national law and relevant national accounting practices shall also be accepted as sufficient proof of expenditure incurred for project partners whose primary location is in one of the Donor States or project partners that are international organizations or bodies or agencies thereof.**When option 1) is chosen:* * the related provisions and requirements should be aligned to the proof of expenditure system that is applicable to the expenditure incurred by the Project Promoter and with the Fund Operator’s procedures for administrative and on the-spot verifications, audits and monitoring of projects. These aspects need to be regulated in the Partnership Agreement with as much detail as possible* * it is important to specify in advance if all the proof of expenditure has to be translated into the promoter’s national language or English**In a case of option 2):* * the report, shall be accepted by the Project Promoter and the Fund Operator as sufficient proof of incurred expenditure* * the cost of the report is considered eligible project cost, providing that is complies with the principles of the eligibility of expenditures as defined in the Project Contract and Guidelines for Applicants. The Project Promoter and Project Partner should ensure sufficient funds are set aside in the project budget to cover this cost;** upon request by the FMO/the EFTA Board of Auditors/the Office of the Auditor General of Norway, the Project Promoter or Project Partner shall grant access to the supporting documents on the basis of which the report was issued.* *Option 2) is intended to facilitate the proof of expenditure. However, in the case of partnerships that do not involve significant expenditures on the partner’s side, it is always possible (and may be simpler and more costs efficient) to provide original supporting documents in line with option 1) (e.g. receipted invoices, payroll extracts, etc).* |

2. Proof of expenditure shall be provided by the Project Partner to the Project Promoter to the extent necessary for the Project Promoter to comply with its obligations to the Fund Operator.

3. Indirect costs claimed by the application of a flat rate of direct eligible staff costs do not need to be supported by the proof of expenditure.

## Article 9 – Procurement

1. National and EU law on public procurement shall be complied with by the Parties at any level in the implementation of the Project.

2. The applicable procurement law is the law of the country in which the procurement is being carried out.

3. In cases where contracts concluded fall below the national or EU thresholds set for public procurement or outside the scope of the applicable public procurement laws, the awarding of such contracts (including the procedures prior to the awarding) and the terms and conditions of such contracts shall comply with best economic practices, including accountability, allow fair competition between potential providers, for example by way of effective price comparison, and ensure the optimal use of resources from the EEA Financial Mechanism 2014-2021. To this end, and in the absence of stricter national laws, in cases of purchases related to an amount of EUR 5,000 or higher but below the relevant national or EU thresholds, at least three suppliers/service providers shall be invited to submit offers.

## Article 10 - Conflict of interest

1. The Parties shall take all necessary measures to prevent any situation that could compromise the impartial and objective performance of the Agreement. Such conflict of interests could 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. Any conflict of interests which could arise during the performance of the Agreement must be notified to the other Party in writing without delay. In the event of such conflict, the Party concerned shall immediately take all necessary steps to resolve it.

2. Each Party reserves the right to verify that such measures are adequate and may require additional measures to be taken, if necessary, within a time limit which it shall set. The Parties shall ensure that their staff, board and directors are not placed in a situation which could give rise to conflict of interests. Each Party shall immediately replace any member of its staff exposed to such a situation.

## Article 11 - Confidentiality

[*Please include appropriate provisions addressing protection and disclosure of any confidential information disclosed by the Parties in connection with the partnership agreement.*]

## Article 12 - Intellectual property rights

[*Provisions on the ownership of work, materials or other results produced under the Agreement and the use thereof by the other Party should be included here*]

## Article 13 –Liability

[*Provisions on liability and limitations thereof (including cases of force majeure) should be mentioned here, as appropriate and taking into account the nature of the activities to be performed]*.

## Article 14 – Irregularities

1. An irregularity shall mean an infringement of: a) the legal framework of the EEA Financial Mechanism 2014-2021; b) this Agreement; c) the project contract; d) any provision of EU law; e) any provision of the national law of the Beneficiary State, which affects or prejudices the implementation of the Active Citizen Fund Programme.

2. In case an irregularity has come to the attention of one Party, that Party shall immediately inform the other Party thereof in writing.

3. In cases where measures to remedy any such irregularity are taken by the competent bodies, i.e. Fund Operator, Complaint Committee, FMO, including measures to recover funds, the Party concerned shall be solely responsible for complying with such measures and returning such funds to the Active Citizen Fund Programme. The Project Partner shall, in such cases, return the funds to be recovered through the Project Promoter.

## Article 15 – Suspension of payments and reimbursement

1. In cases where a decision to suspend payments and/or request reimbursement from the Project Promoter is taken by the Fund Operator or the FMO, the Project Partner shall take such measures as are necessary to comply with the decision.

2. For the purposes of the previous paragraph, the Project Promoter shall, without delay, submit a copy of the decision referred to in the previous paragraph to the Project Partner.

## Article 16 – Termination

1. Termination for convenience by either Party [*insert procedures and requirements for termination for convenience by either party, in case this possibility is deemed appropriate]*.

2. Either Party may terminate this Agreement in the event of a breach by the other Party of its obligations [*insert procedures and requirements for termination for breach by either party*]

3. Furthermore, in case of termination of the Project Contract for any reason whatsoever, the Project Promoter may terminate this Agreement with immediate effect.

4. [*Consequences of termination*]

|  |
| --- |
| *It is highly recommended that the consequences of termination on the parties’ obligations and on the disbursed share of the grant to the Partner are outlined clearly and distinguishing between the different reasons giving rise to termination (for convenience, breach, force majeure, termination of project contract, etc.). Given that the applicable law may not be a common national law of the parties, this will minimize uncertainties and disputes in cases where the agreement is terminated.* |

## Article 17 - Assignment

Neither Party shall have the right to transfer their rights and obligations under this Agreement without the prior consent of the other Party.

## Article 18 – Amendments

Any amendment to this Agreement, including its Annexes, shall be the subject of a written agreement concluded by the Parties.

## Article 19 – Severability

1. If any provision of this Agreement (or part of any provision) is found by any court, tribunal or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of the Agreement, and the validity and enforceability of the other provisions of the Agreement shall not be affected.

2. If a provision of this Agreement (or part of any provision) is found illegal, invalid or unenforceable, the Parties shall negotiate in good faith to amend such provision such that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the Parties’ original intent.

## Article 20 – Governing law and settlement of disputes

1. The construction, validity and performance of this Agreement shall be governed by the laws of the Republic of Lithuania.

2. Any dispute relating to the conclusion, validity, interpretation or performance of this Agreement shall be resolved amicably through consultation between the Parties.

This Agreement has been prepared in two originals, of which each Party has received one.

For the Project Promoter For the Project Partner

Signed in\_\_\_\_\_\_\_\_\_\_\_\_\_ on \_\_\_\_\_\_\_\_\_\_\_\_\_ Signed in\_\_\_\_\_\_\_\_\_\_\_\_\_ on \_\_\_\_\_\_\_\_\_\_\_\_\_

 *(location) (date) (location) (date)*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 *(Name, Surname) (Name, Surname)*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (*Title*) (*Title*)

Annexes:

Annex 1 – Project Implementation Plan

Annex 2 – Project budget