

## Subsidy Contract

### ➔ Background Information

According to the structural funds regulations of the European Union (EU) the Managing Authority (MA) shall lay down the implementing arrangements for each project in an agreement with the Lead Partner (LP).

In case the project has also an ERDF-Lead Partner (ERDF LP) this Subsidy Contract (SC) will also be signed by the ERDF-LP.

The Subsidy Contract (SC) is an essential element within the framework of managing and monitoring the territorial cooperation programmes. This contract stipulates the rights and duties of the LP (and ERDF-LP, if such exists) as well as of the programme bodies and other authorities involved in the implementation of the programme (e.g. Managing Authority, Joint Technical Secretariat, Programme Committee, Certifying Authority, First Level Control bodies, auditing bodies).

According to the structural funds regulations of the EU the MA shall apply the law of the country it is situated in when performing its tasks. For this reason the SC to be concluded with the LP (and ERDF-LP if such exists) shall be based on Austrian law.

### ➔ Guidance

Experience in the Interreg IIB Programme "Alpine Space" has shown that various project partners cannot start with the implementation of the project as long as Partnership Agreement (PA) and SC are not signed. Thus, the programme has taken respective measures to speed up the contracting procedure, which are set out in the following (see also factsheet 5.1 on *Partnership Agreement*).

The signature of the Partnership Agreement by all project participants is a prerequisite for the MA to prepare the SC.

Project applicants shall submit photocopies of the signed Partnership Agreement together with the Application Form (AF).

**The programme has set up a model Subsidy Contract** which will be used for all projects approved for co-funding.

Attached to the letter in which the MA informs the LP about the approval of the project, two copies of the SC already filled in with the project-related data and signed by the MA will be sent to the LP. The LP will have two weeks time to return a countersigned copy of the contract to the MA.

**For projects that have** a Lead Partner coming from a Non-Member State and therefore also have an **ERDF-LP** a separate model SC has been developed by the programme. In case of these projects three copies of the SC will be set up and more time will be foreseen for the signature process since both, LP and ERDF-LP shall sign the SC.

If the **SC is not signed within the given period of time** the **ERDF-cofunding** for the project will **not be secured**.

**At the occasion of a transnational seminar** organised by the programme **guidance and detailed explanation on the SC** will be provided.

The MA will also provide for support to clarify any other legal questions related to the SC and the project. The occasion of the above-mentioned transnational seminar shall be used by the LP to have an exchange with the MA on these issues. Prior information of the MA about any open questions by the LP is highly recommended as this enables the MA to provide for answers at the seminars.

## ➡ Reference Documents

- + Article 15 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999.
- + Operational Programme "Alpine Space", Chapter 4.2.4.

## ➡ Annexes

- + Model Subsidy Contract for projects with a LP from a Member State
- + Model Subsidy Contract for projects with a LP from a Non-Member State and an ERDF-LP from a Member State
- + Model Application Form (AF) with guidance