

**Template Partnership Agreement
for
donor partnership projects**

between

[Name]

[Full address, tax ID number or other]

[Represented by]

hereinafter referred to as the “Project Promoter”

and

[Name]

[Full address, tax ID number or other]

[Represented by]

hereinafter referred to as the “Project Partner”

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

**for the implementation of the Project [“Title”]
funded under the [EEA/Norwegian] Financial Mechanism Programme
[Programme number and title]**

Disclaimer:

This template Partnership Agreement aims at assisting Project Promoters and Project Partners in the preparation of their partnership agreements required under Article 7.7 of the Regulations on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021. It is provided for information purposes only and its contents are not intended to replace consultation of any applicable legal sources or the necessary advice of a legal expert, where appropriate. It is the responsibility of the Parties to ensure compliance of the provisions of this Partnership Agreement with the Project Contract and the applicable legal framework. Neither the FMO nor any person acting on its behalf can be held responsible in connection with any use or re-use made of this template partnership agreement.

PREAMBLE:

In general terms, it is recommended to include introductory provisions referring to the scope and objectives of the EEA/Norwegian Financial Mechanism Programme as well as the general aims of the Project, highlighting, if deemed appropriate, any background information that might be relevant to the partnership.

Since several provisions of the Partnership Agreement will make reference to the Programme (as defined and agreed upon in the Programme Agreement entered into between the National Focal Point and the Donor(s)) as well as to the Project (as agreed between the Programme Operator and the Project Promoter in the framework of the Project Contract), a definition of what is meant by both the Programme and the Project should be foreseen so as to ensure clear cross-references throughout the Partnership Agreement.¹

IT IS 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 [*in case of Annexes to the Agreement*], as described and defined in Annex[es] [number] (hereinafter referred to as the [*specify the relevant documents: e.g. the “Terms of Reference” or “Work Plan” or “List of activities” and/or other*])).

As explained below under Article 3, the main activities to be carried out, in particular by the partner, including any activities of the promoter that the partner is dependent on for the performance of its tasks should be identified.

This could, for example, take the form of a work plan with indicative timings and budgets associated to the different activities, to be annexed to the Agreement. Where it is not possible to draw up a comprehensive work plan, a simple list of activities by the partner is still useful. Containing the list of activities in an Annex that can be reviewed on a regular basis and modified following a simplified procedure is considered beneficial.

2. The Parties shall act in accordance with the legal framework of the [EEA/Norwegian] Financial Mechanism 2014-2021, namely with the Regulation on the implementation of the [EEA/Norwegian] Financial Mechanism 2014-2021 (hereinafter referred to as the “Regulation”). The Parties expressly acknowledge to have access to and to be familiar with the content of the Regulation.

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

These provisions will vary depending on the precise involvement of the Project Partner. The aim is to ensure that the parties are aware of what is expected of each other, by when and the corresponding costs/budgets.

They should include general provisions about the relations between the parties but should also, to the extent possible, identify the main activities to be carried out, in particular by the partner, including any activities of the promoter that the partner is dependent on for the performance of its tasks.

This could, for example, take the form of a work plan with indicative timings and budgets associated to the different activities. Where it is not possible to draw up a comprehensive work plan, a simple list of activities by the partner should be used. Containing the list of activities in an Annex that can be reviewed on a regular basis and modified following a simplified procedure would be beneficial.

The Partnership Agreement should be in line with the Project Contract, however it will not always be possible for the Project Partner to have a complete overview of the Project Contract. It is therefore advisable to avoid references to the Project Contract and include, as far as possible, all the information that is necessary for the implementation of the Project Partner's tasks. Provisions allowing for the amendment of the Partnership Agreement where this is necessitated due to a change in the Project Contract should also be included.

The below provisions are only examples of provisions that can be included under this Article.

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 Programme and the Project.
3. The Parties shall make available sufficient and qualified personnel, which shall carry out their work with the highest professional standard. While carrying out the assignment under this Agreement, the personnel and entities engaged by either Party shall comply with the laws of the respective countries.

4. Whenever in the performance of their assignments under this Agreement the Parties' personnel are on the premises of the other Party, or at any other location in the other Party's country on request of such Party, that Party shall ensure that such premises and locations comply with all applicable national health, safety and environmental laws and standards. The Parties shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to the property of the other Party in connection with the implementation of the Project. *[Further provisions on safety and other relevant personnel-related issues may be included here]*

5. *[Each Party shall appoint a Project Manager 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].*

Article 4 – Obligations of the Project Promoter

1. The Project Promoter is responsible for the overall coordination, management and implementation of the Project in accordance with the regulatory and contractual framework specified herein. It assumes sole responsibility for the successful implementation of the Project towards the Programme Operator.

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

- (a) ensure the correct and timely implementation of the Project's activities;
- (b) promptly 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; in cases where such documents, data and information are not in English, it shall provide an English translation thereof when so requested by the Project Partner;
- (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 Programme 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 Programme Operator *[specify what should be submitted: interim project reports or other]* in connection with the payment claims, in compliance with the Programme Agreement and the Project Contract so as to meet the payment deadlines towards the Project Partner as stipulated in this Agreement;
- (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]*.

Article 5 – Obligations of the Project Partner

1. The Project Partner is responsible for the performance of the activities and tasks assigned to it in accordance with this Agreement [*in case of Annexes: and Annex[es] [number] (specify the relevant documents: hereinafter referred to as the “Terms of Reference” or “Work Plan” or “List of activities”*)].

Refer to any Annexes referred to in Article 1.

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

- (a) promptly 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 Programme 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 [*specify number of years (no less than three)*] from the [*FMC/NMFA*]’s approval of the final programme report;
- (e) provide any bodies carrying out mid-term or ex-post evaluations of the Programme, as well as any monitoring, audits and on the spot verifications on behalf of the [*EEA/Norwegian*] Financial Mechanism any document or information necessary to assist with the evaluation;
- (f) effectively participate in promoting the objectives, activities and results of the Financial Mechanism 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 and eligibility of expenditures

1. The detailed total Project budget, the budget share of [*each Party/the Project Partner*] as well as the allocation of the budget, amongst the activities to be performed by [*each Party/the Project Partner*] is fixed in Annex[es] [*number*] [*specify the relevant documents*].

Financial arrangements are a crucial element to agree upon in the Partnership Agreement. These must include the total amount that the partner may claim from the project budget and, where possible, the allocation of the total amount amongst the activities to be performed by the partner. This can be done in conjunction with a work plan, as mentioned above. Where a detailed breakdown of the allocation to the partner is provided, it is recommended that this is contained in an Annex that can be reviewed on a regular basis and modified following a simplified procedure.

2. Expenditures incurred by the Project Partner must be in line with the general rules on eligibility of expenditure contained in the Regulation, specifically Chapter 8 thereto.

Expenditures incurred by partners must be in line with the general rules on eligibility of expenditure contained in the Regulation, specifically Chapter 8 thereto:

Article 8.2 contains certain general principles on eligible expenditures, for example, that all costs should be “proportionate and necessary for the implementation of the project”.

Article 8.3 contains the main categories of eligible direct expenditures (specific expenditures directly linked to the implementation of the project). In addition, the Programme Agreement concluded between the Donor State(s) and the National Focal Point may allow for additional expenditures to be eligible, or impose further limitations on eligibility of expenditures. These must also be reflected here. Where the project is implemented pursuant to a call for proposals, regard should also be had to any specific provisions listed in the call documents.

Article 8.7 contains certain categories of expenditures that are not eligible.

The Partnership Agreement can either reproduce such provisions, with the appropriate adaptations, or incorporate them by reference.

3. Indirect costs shall be claimed by the application of the following method: [*specify the method in accordance with Regulation Article 8.5.1(a), (b), (c) (d) or (e)*].

The Partnership Agreement must contain provisions on the method of calculating indirect costs and their maximum amount. Indirect costs (overheads) are defined in Article 8.5.1 of the Regulation: *Indirect costs are all eligible costs that cannot be identified by the Project Promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the Project Promoter or the project partner.*

Provisions on indirect costs (overheads) should take into account the provisions of Article 8.5 of the Regulation, any limitations set in the Programme Agreement (which may well exclude the eligibility of indirect costs) and, where relevant, the methodology proposed by the Programme Operator in case flat rates are used.

In general, overheads can either be claimed by claiming ‘actual’ indirect costs when the partner’s accounting system is sufficiently analytical (see further Article 8.5.1(a) of the Regulation); or alternatively they can be claimed by the application of a flat rate/percentage of the direct eligible costs. Such methodology could be outlined in an Annex to the Partnership Agreement. When the flat rate method is chosen, the actual percentage must be determined in line with the above mentioned methodology set by the Programme Operator. The possibility to claim flat rates does not automatically exclude the possibility to claim indirect costs using the ‘actual indirect costs’ option: the Partner should be given the option to decide the preferred method. Finally, in the case of Project Partners that are international organisations or bodies or agencies thereof, it will be possible to identify indirect costs in accordance with the relevant rules, if any, established by such organisations (Article 8.5.1.(e)).

Please note that different rules on indirect costs apply to research programmes, please consult the Guideline for Research Programmes.

Article 7 – Financial management and payment arrangements

1. Payment of the project grant share to the Project Partner shall take the form of [*specify the applicable forms of payments: advance payments, reimbursement of incurred expenditure (interim payments) 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*].
3. [*If applicable*] The advance payment to the Project Partner shall be made no later than [*number of working days*] of the crediting of the advance payment from the Programme to the Project Promoter's bank account.
4. Interim payments shall be paid based on [*specify how the Project Partner is to claim expenditure from the Project Promoter and if a template shall be used to that effect. If so, the template should be annexed to the Partnership Agreement. If no templates are foreseen, then the provision should specify, with as much detail as possible, the content of the payment claims*]. Payment claims shall be submitted to the Project Promoter [*specify the monthly frequency or specific deadlines*], along with a confirmation from [*responsible person within the Project Partner, e.g. Project Manager*] that the claimed expenditures are in accordance with the principles and rules set forth in this Agreement.
5. Interim payments to the Project Partner shall, subject to Article [*if applicable: provision concerning the verification of the Partner's expenditure by the Project Promoter*], be made within [*number of working days from receipt of the Partner's payment claim or, in case deadlines are specified in paragraph 3, 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*].
6. Payment of the final balance shall be made [*specify details*].
7. All amounts shall be denominated in [*specify the applicable currency*].

The provision of funds to the Project Partner will normally be made in the beneficiary state local currency or in euro in some cases. The reporting currency of incurred expenditure is set by the Programme Operator and will normally be the beneficiary state local currency unless otherwise decided. The conversion exchange rate for establishing incurred expenditure in the local currency is set by the Programme Operator. This will normally follow a methodology whereby 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.

8. Payments to the Project Partner shall be made to the Project Partner's bank account denominated in [*specify the currency*], 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].

9. 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. Costs incurred by the Project Partner shall be supported by received invoices or alternatively by accounting documents of equivalent probative value.

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 Programme Operator.

3. When required, proof of expenditure shall take the following form: [see different options below].

Costs incurred by a Project Promoter or Partner shall be supported by received invoices, or alternatively by accounting documents of equivalent probative value (Article 8.12.1 of the Regulation). An audit report or a report by a competent public officer shall also be accepted as sufficient proof of expenditure incurred for project partners whose primary location is outside the Beneficiary State, as per paragraphs 3 and 3 of Article 8.12. These reports are intended to facilitate 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) to provide original documents as proof (e.g. received invoices, payroll extracts, etc). When this option is chosen, it is important to specify in advance if these have to be translated into the promoter's national language.

When the report option is used, please be aware that the cost of obtaining the report is considered eligible expenditure and should therefore be included in the budget allocation for the partner.

Please note that this does not mean necessarily that all these accounting documents (the proof of expenditure) are required to be submitted each time a payment claim is submitted. The Regulation does not require that 100% of proof of expenditure is submitted to the Programme Operator. The Regulation requires the Programme Operator to set up systems and control mechanisms which ensure a *sufficient level of control* over the expenditure that is incurred by Project Promoters and Partners. If chosen, this option should be aligned to the proof of expenditure system that is applicable to the expenditure incurred by the Project Promoter. The Regulation provides for an approach where it should be considered sufficient that the Partner can make available the original accounting documents (the proof of expenditure) when required to do so, e.g. in case of a monitoring visit or an audit. These aspects need to be regulated in the Partnership Agreement with as much detail as possible.

4. Indirect costs claimed by the application of a flat rate do not need to be supported by accounting documents.

Article 9 – Progress and financial reports

This provision should outline the reporting obligations of the Project Partner, including content and frequency of such reports, as well as a reference to templates, if any. The Project Promoter shall by way of this provision ensure that it receives in a timely manner all the necessary information to comply with its reporting obligations to the Programme Operator.

Article 10 – Audits

Provisions on the arrangements for audits on the Project Partners should be established. It is sufficient to refer to Audits to be carried out in line with Chapter 11 of the Regulation. Where the partner is providing proof of expenditure in line with paragraphs 3 and 4 of Article 8.12 of the Regulation, it should be clarified that presentation of the audit report is sufficient for the purpose of financial audits.

Article 11 – 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.

Please also refer to the Regulation, Article 8.15.

Article 12 - 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 13 - Confidentiality

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

Article 14 - 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 15 –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 16 – Irregularities

1. Irregularities are defined in accordance with Article 12.2 of the Regulation.
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 referred to in Chapter 12 of the Regulation, including measures to recover funds, the Party concerned shall be solely responsible for complying with such measures and returning such funds to the Programme. The Project Partner shall, in such cases, return the recovered funds through the Project Promoter.

Article 17 – 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 Programme Operator, the National Focal Point or the Donor State[s], 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 18 – 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 minimise uncertainties and disputes in cases where the agreement is terminated.

Article 19 - Assignment

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

2. The Parties acknowledge that all assignment of rights and obligations under this Agreement is dependent upon the Programme Operator's prior consent in accordance with the provisions of the Project Contract [*Note: if applicable*].

Article 20 – Amendments

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

Article 21 – 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 22 – Notices and language

1. All notices and other communications between the Parties shall be made in writing and be sent to the following addresses:

For the Project Promoter:

[include contact details]

For the Project Partner:

[include contact details]

2. The language governing the execution of this Agreement is English. All documents, notices and other communications foreseen in the framework of this Agreement shall be in English.

Article 23 – Governing law and settlement of disputes

1. The construction, validity and performance of this Agreement shall be governed by the laws of [specify governing law].

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

3.

It is recommended that the Parties agree on an alternative dispute resolution mechanism, such as the referral of the dispute to an arbitral tribunal or to the mediation of an impartial third party (one such party could be the Programme Operator). Please be aware that the costs related to disputes are not eligible under the Project and shall be borne by each Party individually.

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

[Name]
[Title]

[Name]
[Title]