Interreg
Central Baltic

SUBSIDY CONTRACT 01.02.2016 nr 1-6.1/11

for the implementation of the Project CB226 NATTOURS

Central Baltic Programme 2014-2020

European Union
European Regional Development Fund

Preamble

The subject matter of this contract is the legally binding agreement on implementation and management of the project CB226 NATTOURS (Sustainable urban nature routes using new IT solutions), approved with the identification, partners and budget information as set in Annex1.

The contract refers to the Application Form as approved by the Steering Committee (Annex 2) and, in case of conditions, by the Managing Authority and set as approved by the Managing Authority in the eMonitoring System.

The contract is signed between the Regional Council of Southwest Finland (hereinafter referred to as the Regional Council) acting as Managing Authority (MA) of the Central Programme 2014-2020 (Central Baltic Programme) and the Lead Partner of the project.

Abbreviations

AA = Audit Authority

Central Baltic Programme = Central Baltic Programme 2014-2020

CR = Control Report

DVEE = Declaration of Validation of Eligible Expenditure

EC = European Commission

FLC = First Level Control

JS = Joint Secretariat

LP = Lead Partner

MA = Managing Authority

SC = Steering Committee

PP = Project Partner

§ 1
Applicable legal framework

The LP guarantees that the project is implemented and managed in accordance of the valid regulations as well as the horizontal policies of the European Union, the Programme Manual and valid national legislation.

EU Structural Fund regulations:

- Regulation (EU) No 1303/2013 referred to as "CPR regulation"
- Regulation (EU) No 1301/2013 referred to as "ERDF regulation"
- Regulation (EU) No 1299/2013 referred to as "ETC regulation"

Community Rules:

- Rules for public procurement and entry into the markets;
- Protection of the environment;
- Equal opportunities between men and women;
- State aid/De Minimis rules;

Respective national regulations:

- National rules applicable to the LP and PPs in their respective countries.

Programme Documents:

- The Central Baltic Programme (CCI No 2014TC16RFCB014.), approved by the EC on 16.12.2014, setting the strategy and objectives of the Programme
- The Programme Manual. The LP/PPs must always follow the up-to-date Programme Manual that is published on the programme website www.centralbaltic.eu

Principles to be applied:

- In case EU regulations are in place for a certain topic, these take precedence. In the absence of EU regulations, the programme Monitoring Committee may set programme-specific rules in the Programme Manual. In case none of the above has regulated a certain topic, national rules apply.

§ 2
Award of Subsidy

1.

The Steering Committee has approved the project on 26.8.2015. The decision of the Steering Committee is based on the criteria set out in the Programme Manual and approved by the Monitoring Committee. In case the respective Steering Committee has set special conditions they have to be followed (Annex 2).

2.

On the basis of the Steering Committee decision an earmarked subsidy of 1.003.054,68 euro is awarded by the MA to the LP organisation of the project from the ERDF funds and are split between budget lines as specified in Annex 1.

The project financing is the sum of the total amount of co-financing coming for the partners in the participating Member States/Åland and the total amount awarded from funds of the Central Baltic Programme. All contributions are considered maximum provisional amounts.

The disbursement of ERDF subsidy is conducted in accordance of the project partner ERDF grant rate as approved in the AF.

Underspending in general will lead to proportional reduction of the Programme funding. The final amount of the ERDF will be paid on the basis of the reported total eligible expenditure only.

3.

A lump sum for preparation costs is included in the project budget for all approved projects. The lump sum is 10 000 euro ERDF. The lump sum may include costs related to the preparation of the project application (meetings between partners, staff costs and costs related to preparing investment documents).

The conditions for the lump sums applied for by the project and approved by the Steering Committee are defined in Annex 1, where relevant.

4.

Considerable underspending of project funds will lead to cutting the project budget and ERDF funding respectively.

The assessment of project spending will be made based on the Project Progress Report of the 3rd reporting period. The project is allowed to underspend up to 20% of its budget foreseen for these periods. Underspending beyond the set limits is only acceptable in cases where individual costs have been delayed due to reasons beyond the control of the partner(s).

If the project has underspent more than the allowed amount, the amount exceeding the set limit will be deducted from the project budget and ERDF funding. Where relevant, the LP will be contacted by the MA to clarify the spending of each period and the potential need for cutting the budget. In these cases a Subsidy Contract amendment will be made.

5.

Disbursement of the Subsidy will be made subject to the condition that the national First Level Control process (Article 125(4) of Regulation (EU) No 1303/2013) as well as the certification by the MA have been carried out adequately.

6.

If the EC fails to make funds available to the programme for whatever reason, the MA is entitled to withhold payments for as long as is needed or, as an ultimate tool, to terminate this contract.

7.

If the LP or the PP fails to meet the requirements of the co-financing as set out in this contract (§2 (2)) based on the approved Application Form the MA is either entitled to terminate this contract or reduce the amount of subsidy proportionately to the reduced national co-financing depending on the case. The co-financing must be visible in project accounting (cost centre) to enable the verification of accumulated national co-financing. Any claim by the LP against the MA for whatever reason is excluded after the parties concerned have exchanged information on the matter and no mutual consent has been found within reasonable time.

8.

The subsidy has been granted under De Minimis rule and therefore the relevant restrictions and obligations as set out in the Programme Manual based on EU regulations must be followed. Relevant and applicable EU and national State Aid regulations are to be followed (Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the functioning of the European Union to de minimis aid published in Official Journal of European Union on 24.12.2013 L 352/1). In addition of setting restrictions and obligations directly to the project partners (LP/PPs) this rule applies also to key stakeholders (e.g. private enterprises) participating in targeted project pilots (e.g. training, marketing, new product development etc.) receiving therefore channelled support via these activities (Cf. §5, LP liabilities).

9.

As set out in the Programme Manual, VAT does constitute an eligible expenditure only if it is genuinely and definitely borne by the project partner and is shown in the bookkeeping as a project costs. It must be noted that if the VAT is recoverable by whatever means, it cannot be considered eligible, even if the beneficiary (project partner) does not actually recover it. The LP/PPs have been obliged to define their VAT status in the approved Application Form and provide the necessary documentation to prove the VAT status. In case of any doubt the VAT will be deemed ineligible for that partner. In case the VAT status of the LP/PPs changes affecting the approved budget the MA/JS has to be informed and relevant documentation is to be provided to justify the change.

10.

The LP of the Project is obliged to set up a Steering Group for the project immediately but at the latest within 1 month after signing this contract. The JS contact person shall be invited to all Steering Group meetings.

§ 3
Object of use, eligibility of costs and reallocation

1.

The Subsidy is awarded exclusively to the LP for the implementation of the project as it is described in the Application Form approved by the Steering Committee and for preparation costs.

2.

The LP and PP shall implement the project with the requisite care, efficiency, transparency and diligence, in line with best practice in the field concerned and in compliance with this Contract.

For this purpose the LP and PP shall mobilise all the financial, human and material resources required for full implementation of the project as specified in the Application Form.

3.

Costs which qualify for a Subsidy pursuant to § 2 Award of the Subsidy exclusively consist only of eligible costs as validated by the national FLC and certified by the MA according to the budget structure of the approved Application Form. The eligibility of costs for ERDF is regulated by the compliance of the expenditure with the legal provisions of §1 Applicable legal framework, §7 Communication and publicity and of the Programme Manual (Financial Implementation of a Project). Partner Progress reports must be validated by the FLC and then submitted to the JS in compliance with the procedure set out in the Programme Manual and the Guide on project implementation.

Costs for the project implementation are eligible if they have been paid out in between the starting date and the end of the project period. In addition to the project period, project preparation costs will be covered as a lump sum.

The project activities must be finalised 3 months before the end of the project. The last three months of the project are a so-called closure period, when only costs for project management (salaries, office and administration costs) for the LP can occur.

4.

During the project period the project may use the flexibility rule as described in the Programme Manual. The LP is entitled to apply for changes (beyond the flexibility rule) to the budget or content during project implementation. Changes should be done not more than 2 times. Such changes require an official Change Request to the MA/JS in accordance with the procedure set in the Programme Manual. The changed budget and/or content will enter into force only after decision by the MA. This may require also a modification of the Subsidy Contract. The LP is obliged to clearly state the nature of changes and the arguments behind each modification whether budget/financing or content related in the Change Request submitted to the JS.

5.

If in justified cases the project requires a prolonged implementation time due to technical and administrative reasons, the LP will have to follow the instructions set out in the Programme Manual. The prolonged implementation time should not be more than 3 months and is to be applied at the latest six months before the approved end date of the project implementation.

§ 4
Request for payments

1.

The LP may only request payments by providing proof of progress of the project as described in the approved Application Form. All reports are filled in in the eMonitoring System where also all checks are made. Instructions as laid down in the reporting forms and in the Programme Manual and other guides for reporting must be observed. The LP ensures that the co-financing rate of

each project partner has been taken into account in the reporting procedure as well as in the partnership agreement allowing correct allocation of ERDF financing to each PP.

2.

The Partner Progress Reports have to be submitted to the First Level Control 15 days after the end of the reporting period.

The Project Progress Reports have to be submitted to the JS/MA 4 months after the end of the reporting period as stated in the Programme Manual. Later reporting with respect of the abovementioned deadlines must be approved specifically by the MA/JS on an ad hoc basis. In case an individual report is delayed by more than one year, the MA may decide not to approve the costs included in that report.

In case the JS/MA has questions on the reports, projects will be given time to answer those questions. If no reply is received within the deadline, the JS/MA will proceed with the information that is available. Where the JS/MA does not have enough information to support the eligibility of the cost, it will be deemed ineligible.

The official closing date of the project is stated in the approved Application Form and in the preamble of this Contract and if necessary taking into account the §14(2).

3.

Based on the fact that payments by the EC to the MA will only be made in accordance with the corresponding budget commitments Article 136 of Regulation (EU) No 1303/2013 the LP must request payments in accordance with approved Application Form. Payments not requested in time, in full or non-compliance with the procedure set in the Programme Manual and in other guidance for reporting may be lost if the programme experiences a de-commitment. The consideration whether payments are reduced due to the de-commitment process will be done at the end of each year of the approved project duration time. Any unjustified delay in reporting or in the clarification process of the Project Progress Report, either by LP or by PPs, can imply a reduction or ending of the Subsidy payments. A failure to comply with the requirements set for the proper audit trail (Cf. §3 (3) and §11) may also lead to reduction or ending of the payments. The information on system of audit trail and list of bodies as described in §11 will be provided to the MA/JS at the latest prior to the first Project Progress Report. A copy of the list must be included in the FLC documents sent to the national FLC bodies.

4.

Any income as stated in the Programme Manual should have been included in the Application Form. All net revenue generated during project implementation shall be reported in the Progress Report as described in the Programme Manual and other guidance given for filling in the application or reporting. The LP of a project is obliged to inform the MA/JS of any income generated within five (5) years after the project closure date. ERDF subsidies unduly paid will be recovered.

5.

Once the Project Progress Report has been received by the JS/MA, a payment of 60% of the applied ERDF will be made to the LP.

After the admissibility check, content and financial assessment of the Project Progress Report by the JS and certification and payment decision by the MA have completed successfully, the MA will transfer the remaining eligible ERDF subsidy to the LP without any delay and within 90 days. The funds will be disbursed in euro (€) only and transferred to an account indicated by the LP. Any exchange rate risk will be borne solely by the LP.

6.

The MA is entitled to withhold any ERDF payment until all unclear issues related to the implementation, management and reporting are clarified and is also entitled to deduct any ineligible cost found during the certification process and as a result proportionately reduce the ERDF co-financing on project.

7.

The LP/PPs are committed to the eligible own national financing as indicated in the approved Application Form and are obliged to ensure the proper accumulation of eligible own national financing during the project implementation and inform the MA/JS immediately in case the accumulation for whatever reason is not possible and follow the MA/JS instructions given on a case like this.

§ 5
Representation of Project Partners, liability

1.

The LP solely bears the overall financial and legal responsibility for the project and for the PPs.

2.

The LP guarantees that it is entitled to represent the PPs participating in the project bearing the sole responsibility of delivering as well as receiving all the information relevant for the project management between LP and PPs and that it will establish with the PPs the division of the mutual responsibilities in the form of partnership agreements.

The LP is directly responsible for forwarding all relevant information and guidance given by the JS/MA to the PPs.

3.

The LP guarantees that a Partnership Agreement is signed with all project partners, containing at least the following : 1) role and obligations of the individual partners in the partnership in project implementation (incl. description of activities of each project partner by reporting periods as indicated in the approved Application Form, 2) budgetary principles, 3) financial management provisions for accounting, reporting, financial control, 4) receipt of ERDF payments, 5) distribution of the ERDF financing between the project partners (partner budget tables annexed) according to the approved Application Form, 6) to strive for balanced spending rate in accordance with the ERDF total contribution 7) liability in case of failures in project delivery and project spending including provisions for changes in the work plan, 8) the partners financial liability and provisions for the recovery of funds in case of amounts incorrectly

reported and received by the partner, 9) information and publicity requirements, 10) resolutions of conflicts in the partnership, 11) the ownership rights of the results between partners and in relation to the terms of the Subsidy Contract (§8) (The list is not exhaustive and the LP and the PPs may add further items according to the project specific needs).

The MA/JS is not a party in the partnership agreement or in the disputes that may arise between the contracting parties or towards third parties.

The LP furthermore guarantees that all the mandatory permits required by EU or national legislation needed for the implementation of the project have been delivered to the MA/JS in due time as specified in the Programme Manual and that any precondition set by the respective Steering Committee has been met in accordance of the decision made (Annex 2).

4.

The LP guarantees furthermore that the whole partnership has complied with all requirements under the legal framework applicable.

The LP is liable towards the MA for:

- ensuring that all its PPs have a legal status which is in line with the definition in Central Baltic Programme and in the Programme Manual as it is in force on the date when this contract is signed;
- ensuring that all expenditure reported in the progress report has been validated according to the procedures set in the Programme Manual;
- ensuring that the PPs fulfil their obligations under this contract and with respect of the requirements set by the legal references mentioned in §1 Applicable legal framework;
- non-compliance of obligations under this contract by itself and by its PPs
- maintaining and updating the list of bodies holding documentation in the audit trail
- ensuring that State Aid/De Minimis rules are applied as instructed in the Programme Manual and that any organisation receiving ERDF and national public subsidies under the Central Baltic Programme complies with the De Minimis conditions (if this is not the case, the MA is entitled to recover the ERDF sums unduly paid)
- ensuring that if the VAT status of the LP/PP changes affecting the approved budget of the project this will be notified to the JS and supported by relevant documentation as instructed in the Programme Manual and other guidance (if this is not the case, the MA is entitled to recover the ERDF sums unduly paid).
- ensuring that adequate resources and time are reserved for the closure measures prior to the actual closure date indicated in the approved Application Form and in the preamble.

5.

If the MA demands repayment of Subsidy funds in accordance with this contract, the LP is liable to the MA for the total amount of the subsidy.

6.

The MA cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the LP or the PPs during the project implementation. The MA therefore cannot accept any claim for compensation or increases in payment in connection with such damage or injury.

7.

The LP and PPs shall assume liability to third parties including liability for damage or injury on any kind sustained by them while the project is being carried out. The LP and PPs shall discharge the MA of all liability associated with any claim or action brought as a result of a non-compliance of rules or regulations by the LP or PPs as result of violation of a third party's rights.

§ 6
Additional obligations

In addition to the obligations of the LP as already stated, the LP undertakes:

1.

to ensure that a separate cost centre is opened for the project in the accounting centres of each LP/PP and to ensure that any received subsidy can be clearly identified and repaid if necessary due to irregularities,

2.

to sign the Partnership Agreement with all partners immediately at the start of the project.

3.

to ensure within the partnership that all the costs of each LP/PP are paid out by the respective partner and from the respective partner's own cost centre.

4.

to pay the partners' share of ERDF to the partners without delay.

5.

to inform the MA immediately if project costs are reduced, if the approved Application Form on which this contract is based will be changed, or one of the disbursement conditions ceases to be fulfilled, or any circumstances arise which entitle the MA to reduce payment or to demand repayment of the Subsidy wholly or in part,

6.

to provide the MA/JS with any information requested without any delay and to forward all information given by the MA/JS to the partners

7.

to provide necessary data for the monitoring system (eMS) of the Central Baltic Programme in compliance with this contract according to the MA/JS instructions

8.

to inform MA/JS without any delay about any envisaged changes of the partnership agreement

9.

to take all necessary precautions to avoid conflict of interests (incl. PP) and shall inform MA/JS without any delay with the situation constituting or likely to lead to any such conflict. There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Contract is compromised for reasons involving family, emotional life, political or national affinity, and economic interest of any other shared interest with another person.

§ 7
Communication and publicity

1.

Any notice of publication by the project, including at a conference or a seminar, must specify that the project has received a Subsidy from the Programme funds, in compliance with the requirements set in the Programme Manual and in compliance with the requirements set by the regulatory framework in § 1 Applicable legal framework and in particular the Regulation (EU) No 1303/2013 Annex XII and in the Programme Manual. In any public material used to promote or disseminate the project activities whether printed or electronically available the use of the programme logo and the EU emblem (flag) together with reference to the European Union and European Regional Development Fund is mandatory as set out in the Programme Manual.

2.

The MA/JS shall be authorized to publish, in whatever form and on or by whatever medium, including the internet, the following information:

- the name of the LP and its partners,
- the purpose of the subsidy,
- the amount granted and the proportion of the total cost of the project accounted for by the funding,
- the geographical location of the project,
- the information of the progress reports and the interim/final report,

The LP is obliged to inform the MA/JS on possible sensitive/confidential (e.g. business or personnel related) issues that cannot be published in programme newsletters and web page.

3.

The LP is obliged to ensure that at least basic information about the project (aims, partners, amount of funding and its source, description of activities) is available on the internet during

project implementation. Once the project has ended this information must include the main results and outputs available for dissemination.

§ 8
Durability and ownership of results

1.

In accordance with Regulation (EU) No 1303/2013 Article 71 the LP shall ensure that PPs (including LP) in infrastructure of productive investment projects shall repay the ERDF contribution if within five (5) years of the final payment to the beneficiary or within the period of time set out in State aid rules, where applicable, it is subject to any of the following:

(a) a cessation or relocation of a productive activity outside the programme area;

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

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

For projects comprising investment in infrastructure or productive investment the period for repaying contributions is ten (10) years after the final payment to the LP if the productive activity is relocated outside the European Union, except where the beneficiary is an SME.

Projects without investments in infrastructure or productive investments shall repay the ERDF contribution if they are subject to an obligation for maintenance of investment under the applicable State aid rules and they undergo a cessation or relocation of a productive activity within the period laid down in those rules.

The LP is obliged to notify the MA of any such changes described beforehand for the MA to be able to determine which of the above-mentioned applies and the sums to be recovered.

2.

The LP ensures that the arrangements in ownerships, titles and industrial and intellectual property rights on the outputs of the projects are in accordance of §8 (1).

3.

The LP ensures via partnership agreement that results and outcomes of the project are joint property of all project participants (LP and PPs). Consequently, the LP safeguards that each project participant shall grant a simple, non-exclusive right of use of any produced work to all other project participants. The LP also ensures that while granting these rights to project partners the specific national rules and instructions relevant for the ownership rights of the project outcomes and results are taken into account when necessary.

4.

The LP ensures that the results of the project especially any study or analysis produced during the implementation shall be made available to the public in order to guarantee a widespread

publicity of the project's outcomes in accordance of the approved Application Form and partnership agreement.

5.

The LP ensures via partnership agreement that the rules stating the ownership principles of purchased office equipment (as stated in the Programme Manual) of LP and each PP after project closure have been taken into account and that the remaining value of the purchased equipment subject to measures after the closure is in accordance with the conducted depreciation taking into account the relevant national specifications. In case income is generated due to transfer of ownership rights of the purchased office equipment the LP is obliged to report to the MA/JS and it will proportionately reduce the amount of the ERDF co-funding. Sums unduly paid shall be recovered.

§ 9
Generation of revenues

1.

The Programme asks projects to report net revenue. Net revenue is defined as cash inflows directly paid by users for the goods and services provided by the project, such as charges borne directly by the users for the use of infrastructure, sale or rent of land or buildings, or payments for services less any operating costs and replacement costs of short-life equipment incurred during the corresponding period. Rules set by the EU Structural and Investment Fund regulations and the Programme Manual are applied.

2.

For all projects regardless of the size of the total budget, the net revenue received from the project activities will proportionally reduce the ERDF co-financing. The net revenue shall be included in the Application Form, or reported in Partner Progress Reports. The obligation to report net revenue does not end once the project has ended.

§ 10
Right of termination

1.

In addition to the right of termination laid down in § 2 (7) the MA is entitled depending on the case, totally or partially to terminate this contract by a registered letter and, where relevant, to demand total or partial repayment of funds, if

a. the LP has obtained the Subsidy through false or incomplete statements; or
b. the project has not been or cannot be implemented, or it has not been or cannot be implemented in due time; or
c. a change has occurred in the project that has put at risk the achievement of the results planned in the Application Form; or
d. the project outputs and results are severely out of line with those promised in the Application Form;
e. the LP has failed to submit required reports or proofs, or to supply necessary information, provided that the LP has received a written reminder setting an adequate deadline and explicitly specifying the legal consequences of a failure to comply with requirements, and has failed to comply with this deadline; or
f. the LP has failed to immediately report events delaying or preventing the implementation of the project funded, or any circumstances leading to its modification; or
g. project reporting does not follow the set schedules, making it impossible to determine that the project is being implemented according to plan and it will achieve the set objectives, results or outputs; or
h. the LP has impeded or obstructed controls and audits; or
i. the LP is not fulfilling its LP obligations, including communication with the JS/MA; or
j. the Subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon; or
k. insolvency proceedings are instituted against the assets of the LP or insolvency proceedings are dismissed due to lack of assets for cost recovery, provided that this appears to prevent or risk the implementation of the programme objectives, or the LP closes down; or
l. subject to the provisions of § 14 (2, 3) Assignment, legal succession, the LP wholly or partly sells, leases or lets the project to a third party;
m. or it has become impossible to verify that the final report is correct and thus the eligibility of the project; or
n. the LP has failed to fulfil any other conditions or requirements for assistance stipulated in this contract including Annex 2 and the provisions it is based on, notably if these conditions or requirements are meant to guarantee the successful implementation of the programme objectives.

2.

If the MA exercises its right of termination and decides to terminate funds, the LP is obliged to transfer the repayment amount to the MA. The repayment amount is due within one month following the date of the letter by which the MA asserts the repayment claim based on the information received from the MA/JS; the due date will be stated explicitly in the order for recovery.

3.

If the MA exercises its right of termination, offsetting by the LP is excluded unless its claim is undisputed or recognized by declaratory judgment.

4.

If the MA exercises its right of termination, the amount repayable shall be subject to interest, starting on the day the payment was made and ending on the day of actual repayment. The interest rate will be determined in accordance with Article 147 of Regulation (EU) No 1303/2013.

5.

If any of the circumstances indicated in §10 Right of Termination article 1 occur before the full amount of Subsidy has been paid to the LP, payments may be discontinued and there shall be no claims to payment of the remaining amount.

6.

Any further legal claims shall remain unaffected by the above provisions.

§ 11
Archiving of project documents

1.

The LP/PPs are at all times obliged to retain for audit purposes all official files, documents and data about the project on customary data storage media (in the form of photocopies, microfiches and electronic versions) in a safe and orderly manner until the end of the 4th year after the payment of the costs of the relevant reporting period has been made by the MA to the Lead Partner, as defined in the Programme Manual. Longer statutory retention periods stated by national law remain unaffected. The LP/PPs are obliged to store the invoices and to keep them clearly traceable in the bookkeeping for the FLC and audit purposes and maintain records of invoices and bodies holding documentation in the audit trail in accordance with (Article 140 of Regulation (EU) No 1303/2013. The maintained and updated records/lists are made available to the MA/JS (Cf. §4 (3)).

§ 12
Controls and audits

1.

All the costs in each Project Progress Report submitted by the LP to the JS must be validated by the national FLC according to the procedure described in the Programme Manual and in compliance with the requirements set by the legal framework in §1 Applicable legal framework.

2.

The AA of the Central Baltic Programme, the responsible auditing bodies of the EU and, within their responsibility, the auditing bodies of the participating EU Member States as represented in the Group of Auditors or other national public auditing bodies are entitled to audit the proper use of funds by the LP or by the PPs or arrange for such an audit to be carried out by authorised persons. The procedure for these controls, called Second Level Control, is described in the Programme Manual.

3.

The LP as well as PPs will produce all documents required for the above controls and audit, provide necessary information and give access to its business premises.

4.

The MA has a right to withhold the payments to the LP until all the required information and documentation have been delivered.

5.

In case the AA issues statements on the national control systems and defining problems of systemic character the MA has a right to withhold the payments to the LP until this case has been solved.

§ 13
Recovery of ineligible expenditure

1.

If any expenditure is considered ineligible by the MA according to regulatory framework mentioned in § 1 Applicable legal framework, a two stage-procedure will apply. The first phase consists of amicable process and in case amicable process proves to be ineffective a judicial procedure follows.

2.

The amicable phase is initiated by the MA based on available financial information of the project by sending out to LP an official letter asking for written response on the case giving the LP the possibility to clarify open questions and in relevant cases provide argumentation on its own behalf. After the LP has responded and provided relevant information it will be examined by the MA.

3.

Unless no relevant new information is provided by the LP the official recovery procedure will be launched by the MA with a registered letter ("Order of Recovery" based on the administrative decision including the appeal instructions) addressed to the LP organisation informing the LP on the arguments on which the repayment claim is based and requesting the repayment of the necessary amount of funds already paid out to the LP. The LP is obliged to conduct the repayment without any delay after the letter by the MA has been received by the LP organisation; the due repayment date will be stated explicitly in the order for recovery. The LP is obliged to notify the approval/non-approval of the repayment in written without any delay after receiving the letter from the MA and inform clearly whether the LP is appealing against the administrative decision by the MA in accordance with the appeal instructions.

4.

In case the LP either refuses or is unable to start the repayment process by the deadline set by the MA without any reply and justification in written the MA will issue another official letter (a reminder) claiming the funds. In this case the repayment is due immediately after officially receiving the second MA letter; the due date will be stated explicitly in the order for recovery. The LP is again obliged to notify the approval/non-approval of the repayment in written without any delay after receiving the second letter by the MA.

5.

In case the LP does not conduct repayment by the deadline(s) set by the MA and has provided appropriate arguments as well as appealed against the decision by the MA within the set timeframe the both parties aim to find a mutual consent on the repayment procedure before the case is brought to the Board of the Regional Council. This procedure aims to find a suitable refunding schedule for the LP or - in case the MA detects a need to correct its own administrative decision on the recovery based on new information and after consultation with the MA and AA - to find sufficient grounds for compromise solution for instance taking the form of curtailed recovery order.

6.

In case the LP has originally appealed against the administrative decision of the MA in accordance with the appeal instructions the case will be first handled by the Board of the Regional Council and then in relevant cases the judicial phase will take place in the competent jurisdiction in Turku, Finland in accordance with the Finnish legal framework.

In case the LP has refused to refund in accordance with valid recovery order the procedure will continue in the competent jurisdiction of the first instance in Turku, Finland in accordance with the Finnish legal framework initiated by the MA.

7.

In case the factors behind the recovery procedure show violation of the subsidy contract (§10), the MA will consider the termination of the contract as a last resort.

8.

The rate of the late interest applied to the amount to be recovered will be calculated in accordance with Article 147 of Regulation (EU) No 1303/2013.

§ 14
Assignment, legal succession

1.

The MA is entitled at any time to transfer its rights and duties under this contract. In case of assignment the MA will inform the LP without delay.

2.

The LP is allowed to transfer its duties and rights under this contract only after prior written consent of the MA and the respective Steering Committee.

3.

In cases of legal succession, e.g. where the LP or a PP changes its legal form, the LP or PP is obliged to transfer all duties under this contract to the legal successor. The LP shall notify the MA about any change beforehand in written.

§ 15
Concluding provisions

1.

This contract shall take effect on the date it is signed by both parties covering the approved duration time of the project and shall expire only after the Final Report and Project Progress Report has been approved by the MA/JS and the payment has been certified and paid out by the MA. The specific requirements set by §1 Applicable legal framework concerning e.g. archiving, ownership rights, generation of revenues, audit trail, audit and publicity measures are valid for the LP and PPs beyond the expiration date of the Subsidy Contract.

The programme uses the eMonitoring System for reporting, applying for project changes and other procedures related to the implementation of the project. Each user is responsible for keeping safe the user name and password and is responsible for all activities done with the user name.

2.

All correspondence with the MA under this contract must be in writing and in English.

3.

All correspondence with the MA must be sent either through the eMonitoring System or to the following address:

Regional Council of Southwest Finland
Department for Regional Development
Regional Development Director Tarja Nuotio
P.O. Box 273
FIN-20101 TURKU, FINLAND
e-mail: tarja.nuotio@varsinais-suomi.fi

4.

All programme related relevant information for the LP and PPs is available in www.centralbaltic.eu in English.

5.

If any provision in this contract should be wholly or partly ineffective, the parties to the contract will replace ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision. This procedure in conducted in written form by the parties concerned. In case of differences that are not ruled by this Contract the parties concerned will agree on aiming to find a mutual consent on the issue.

6.

Amendments and supplements to this contract and any waiver of the requirement of the written form must be in written form and will be made through the eMonitoring System.

7.

The appeal process as legislated in the Finnish Local Government Act (Chapter 11) in cases where the LP is unsatisfied on decisions made by the MA/AA has two stages:

1. The LP from the participating Member States/Åland of the Central Baltic Programme may appeal against the acts of the MA/AA by sending the demand for rectification to the board of the Regional Council. The board will handle the rectification as soon as possible (depending on the meeting schedule of the board). The request is to be addressed to:

   The Board of the Regional Council of Southwest Finland
   P.O. Box 273
   20101 TURKU
   FINLAND

2. In case the LP is unsatisfied with the ruling of the Board the LP from the participating Member States/Åland of the Central Baltic Programme may also appeal to the Administrative Court of Turku in the first instance (www.oikeus.fi). This procedure takes place only after the Board of the Council has ruled on the case.

The detailed appeal instructions for both procedures are annexed to the respective decisions of the MA/AA as well as the Board of the Regional Council.

The unsatisfied LP is obliged to demand for rectification against the decisions of MA/AA conducted on the basis of this contract as well as on the applied legal framework (§1) within the timeframe of 7+14 working days after receiving the information on the decision.

All decisions made by the MA and AA can be appealed against.

Prior to the official rectification/appeal process the LP is obliged to contact the relevant authority for consultation on the case to ensure that proper information is applied by the parties involved.

8.

This contract is governed by the laws of the Republic of Finland. The place of jurisdiction is Turku, Finland.

Signatures:

Place and date: Turku 2.12.2015

Tarja Nuotio
.....
Signature

Tarja Nuotio

Regional Development Director
Regional Council of Southwest Finland
Department for Regional Development

Place and date: 01.02.2016 TALLINN

KRISTEL KIVIJÄRV
TALLINNA KESKKONNAAMET
Jurist
01.02.2016

.....
Signature

Relo Ligi
Head of Environment Department of Tallinn City Government
Environment Department of Tallinn City Government

Stamp of the organisation (If according to the internal procedures, a stamp is not used, please state it)

Tallinna Linnavalitsus
Tallinna Keskkonnaamet

Annex 1: Project identification
Annex 2: A protocol note of the respective Steering Committee meeting
Annex 3: Demand for rectification instructions

CB226 NATTOURS Subsidy Contract, Annex 1

Project Identification

Sub Programme		Southern Finland and Estonia Sub-programme
Programme Priority		P2 Sustainable use of common resources
Specific Objective		2.1. Natural and cultural resources developed into sustainable tourist attractions
Project Acronym		NATTOURS
Project Title		Sustainable urban nature routes using new IT solutions
Project Number		CB226
Name Of Lead		Tallinna Keskkonnaamet
Project Duration 31.93 Month	Start Date	2016-03-01 00-00-00
	End Date	2018-10-31 00-00-00

Partner List

Partner Name	Street	Housenumber	Postalcode	City	Lead Partner
Tallinna Keskkonnaamet	Harju	13	10130	Tallinn	X
Helsingin Kaupunki	Viikinkaari P.O. Box 500	2a	00099	Helsinki	
Säästva Eesti Instituut	Lai	34	10133	Tallinn	

Total ERDF Budget per Budgetline

Staff costs	Office and administration	Travel and accomodation	External expertise and services	Equipment	Infrastructure & works
498,359.50	74,753.92	16,790.00	182,890.00	9,817.50	220,443.75

Periods

@Period Number	@Duration (months)	@Start Date	@End Date	@Reporting Date
0		2016-03-01	2016-03-01	2016-05-01
1	6	2016-03-01	2016-08-31	2016-08-31
2	6	2016-09-01	2017-02-28	2017-02-28
3	6	2017-03-01	2017-08-31	2017-08-31
4	6	2017-09-01	2018-02-28	2018-02-28
5	6	2018-03-01	2018-08-31	2018-08-31
6	2	2018-09-01	2018-10-31	2018-10-31

Text

7.4 **NATTOURS, ID: 226**

PROPOSAL: To approve the project NATTOURS in Priority 2, SO 2.1. with a maximum ERDF co-financing of 1 032 203,73 EUR with the following conditions and technical corrections:

1) P3: Provide documentation proving the salary level of the senior expert (full time monthly salary approximately 4700 €, including all taxes) is comparable to salaries paid for similar tasks in that organisation.

2) Provide additional information about the work plan: make the work plan more detailed (activities and deliverables) and set milestones for reporting periods so that the progress of the project can be monitored.

3) Provide additional information about the budget of planned background studies and external expertise: how many surveys are planned and who will conduct surveys? Explain how the work is divided between the external expertise with 60 000€ and the 2 hired experts listed as staff members.

In addition the project may be asked by the JS to make other minor technical corrections or correct outputs and preparation cost levels that come up during the clarification process.

The replies provided by the project must give the MA the information needed to determine their eligibility and relevance for the project.

The conditions and technical corrections set in the funding decision have to be fulfilled within a month after receiving the official SC decision and before signing the subsidy contract.

DECISION: To approve the proposal

Turku, 23 September 2015
Certified by

Merike Niitepõld
Minutes-keeper

Regional Council of Southwest Finland
Regional Development Director

DEMAND FOR RECTIFICATION INSTRUCTIONS Section 159
Date 2.12.2015

Right to demand for rectification	Anyone dissatisfied with a resolution may make a written demand for rectification. A demand for rectification may be made either by the person to whom the decision is directed or by a person whose rights, duties or benefits are directly affected by the decision (an interested party). By resolution of the Federation of Municipalities authority, a demand for rectification can also be made by a member municipality of the Federation and its member.

Demand for rectification authority	Authority to whom the demand for rectification is being made, street address and postal address **The Board of the Regional Council of Southwest Finland** **P.O. Box 273, Ratapihankatu 36** **FI-20101 TURKU** **e-mail: kirjaamo@varsinais-suomi.fi**
Demand for rectification and its initiation	A demand for rectification must be made within 14 days of being served the resolution. Member municipalities and their members are regarded as having received information on the resolution when the register is declared open to general view. An interested party is regarded as having received information on the resolution after seven days from the date of sending the letter, during the period indicated by the advice of receipt or during a separate period entered on the certificate of service, unless otherwise demonstrated. On the basis of the act on charges levied for services by courts of law and certain judicial administration authorities (701/93), the petitioner is charged a litigation fee of 80 euros in the administrative court.

Setting the register on view	Date 3.12.2015	
Serving of notice to the interested party[1)]	x Delivered notice with letter (Local Government Act 95 §)	Interested party Environment Department of Tallinn City Government
	Given to the post office for delivery, date / Server of notice	
	Relinquished to interested party Locality date and signature of server of notice	Interested party Signature of recipient
	In another manner, how By mail	

Content of demand for rectification and delivery	The demand with grounds must become evident from the demand for rectification and it must be signed by the author. The demand for rectification must be delivered to the demand for rectification authority prior to termination of the demand for rectification period.
Additional information	Regional Development Director Tarja Nuotio tel.: +358 40 5063 715 – Fax: +358 2 2100 901 e-mail: tarja.nuotio@varsinais-suomi.fi – www.varsinais-suomi.fi

To be annexed to resolution / extract
1) Extract to be filled in if the resolution is given as special serving of notice as information to an interested party designated in Local Government Act 92 § 1. Darkened area to be filled in also with the authority receiving a duplicate.

Regional Council of Southwest Finland

FINAL PROTOCOL Q
ERDF project funding decisions of the Central Baltic Programme 2014-2020

§	DATE	ISSUE
159	2.12.2015	**Approval of project application NATTOURS, ID: 226** I hereby decide to approve the abovementioned project application based on the Annexed Steering Committee decision 25.8.2015.

Signature: Tarja Nuotio
Tarja Nuotio
Regional Development Director
Regional Council of Southwest Finland
Department for Regional Development

Annex: Protocol note of the Steering Committee Decision