



# Project Partnership Agreement

## TEMPLATE

[INDEX, ACRONYM and TITLE of the project]	
<i>Implementation Period</i>	
<b>(Main) Urban Authority / Project Partner 1</b>	
<b>Project Partner 2</b>	
<b>Project Partner 3</b>	
<b>Project Partner 4</b>	
<b>Project Partner 5</b>	
<b>Project Partner X</b>	

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# Partnership Agreement for the implementation of the project

**[INDEX, ACRONYM and TITLE of the project]**

## Within the UIA Initiative

DISCLAIMER. THIS DOCUMENT IS A MODEL AGREEMENT BETWEEN THE (MAIN) URBAN AUTHORITY AND THE OTHER PROJECT PARTNERS OF A UIA PROJECT. IT SERVES AS AN EXAMPLE ONLY. IT MUST BE NEGOTIATED BETWEEN PARTNERS AND TAILORED TO THE PARTNERSHIP'S INDIVIDUAL NEEDS.

THE PARTNERSHIP AGREEMENT SIGNED BETWEEN ALL THE PROJECT PARTNERS SHALL CONTAIN ALL DUTIES AND RESPONSIBILITIES OF EACH PROJECT PARTNER BEFORE, DURING AND AFTER THE PROJECT IMPLEMENTATION.

THE INITIATIVE AUTHORITIES CANNOT BE HELD LIABLE FOR THE CONTENT NOR FOR THE USE OF THIS MODEL. THE PARTNERSHIP REMAINS FULLY RESPONSIBLE FOR THE CONTENT OF THE PROJECT PARTNERSHIP AGREEMENT WHICH CANNOT CONTAIN ANY PROVISION CONTRARY TO THE SUBSIDY CONTRACT.

Having regard to:

- The legal framework set out in the Article 1 the Subsidy Contract signed between the Entrusted Entity and **[Name of the (Main) Urban Authority]** acting as (Main) Urban Authority of the project **[INDEX, ACRONYM and TITLE of the project]**;
- The article 8.1(a) of the abovementioned Subsidy Contract,

The following Agreement shall be made between:

**[full Name and address of the (Main) Urban Authority]**,  
Hereinafter referred to as the (Main) Urban Authority,  
Represented by: **[name of the legal representative]**,

And **[full Name and address of the Project Partner 2 Institution]**,  
Represented by: **[name of the legal representative]**

And **[full Name and address of the Project Partner 3 Institution]**,  
Represented by: **[name of the legal representative]**

And **[full Name and address of the Project Partner 4 Institution]**,  
Represented by: **[name of the legal representative]**

And **[full Name and address of the Project Partner 5 Institution]**,  
Represented by: **[name of the legal representative]**

And **[full Name and address of the Project Partner X Institution]**,  
Represented by: **[name of the legal representative]**

Hereinafter referred to as the Parties.

For the implementation of the UIA project **[INDEX, ACRONYM and TITLE of the project]**, approved by the Selection Committee on **[Date]**, the following agreement shall be made between the partners of the project, and the Parties have agreed as follows:

## CHAPTER 1 – GENERAL PROVISIONS

### Article 1

#### Definitions and Legal framework

1. For the purpose of this agreement, the following words shall have the following meanings:

**Agreement:** the Project Partnership Agreement.

**Application Form:** the application form as set out in annex 1 of this contract together with any amendments to the application form which are approved by the Initiative authorities.

**Approval Decision:** the approval decision of the Selection Committee as indicated in the Subsidy Contract.

**Initiative:** The Urban Innovative Actions Initiative.

**Initiative Authorities:** the Entrusted Entity (including the Permanent Secretariat), the European Commission, and the Certifying authority.

**(Main) Urban Authority:** The Urban Authority (or Main Urban Authority in the framework of an association/grouping of urban authorities without a legal status of organised agglomeration) is the main responsible for the overall project implementation and management. It bears the entire financial and juridical responsibility vis-à-vis the Entrusted Entity.

**Partnership Agreement:** Contract signed between all the project partners containing all duties and responsibilities of each project partner before, during and after the project implementation.

**Project:** **[INDEX, ACRONYM, TITLE]** as described in the application form.

**Project Partners:** the project partners named in the application form, including the (Main) Urban Authority.

**Subsidy:** the maximum ERDF co-financing allocated to the project in accordance with the application form.

**Subsidy Contract:** Agreement between the Entrusted Entity and the (Main) Urban Authority, specifying the conditions upon which the Entrusted Entity transfers the subsidy for the Project implementation to the (Main) Urban Authority (on behalf of all Project Partners).

**UIA Guidance:** The latest published version of the UIA Guidance.

2. For the purpose of this agreement, the legal framework as set out in the Article 1 of the Subsidy Contract should apply.

## **Article 2**

### **Scope of the Agreement**

1. The parties to this agreement are the (Main) Urban Authority and the project partners as above-mentioned, and listed in the latest approved version of the application form.
2. The subject of this Agreement is to lay down arrangements and establish cooperation principles and rules of procedure which regulate the rights and responsibilities among the Parties of the Partnership for the successful implementation of the project [**INDEX, ACRONYM and TITLE of the project**], as indicated in the annexes. The annexes - including all provisions they are based on and refer to - are considered to be an integral part of this agreement:
  - **Annex 1** - the latest version of the Application Form approved by the Initiative
  - **Annex 2** - the signed Subsidy Contract between the Entrusted Entity and the (Main) Urban Authority,
  - **Annex 3** – Preparation and closure costs division
3. The (Main) Urban Authority and all Project partners commit themselves in jointly implementing the project in accordance with the distribution of tasks as set in the Subsidy Contract, with the aim to reach the project main objectives and results.
4. The terms and conditions herein are acknowledged and accepted by all Parties. The (Main) Urban Authority and the Project Partners are obliged to respect all rules and fulfil all obligations set forth in the present Agreement, the Subsidy Contract, the latest approved version of the application form, and the conditions and/ or recommendations under which the Initiative grants subsidies to the selected project.

## **Article 3**

### **Duration of the Agreement**

1. The agreement will enter into force on the date on which it is signed by the last of the Parties.
2. The agreement will remain in force until complete fulfilment of the (Main) Urban Authority and partners' obligations under this project partnership agreement and the subsidy contract. In particular, all relevant provisions necessary for the fulfilment of the archiving and audit obligations defined in this agreement shall remain in force until the end of the period referred to in article 9.4 of the present Agreement.
3. If there is a non-resolved dispute between any of the Project Partners arising from the implementation of the project, the Partnership Agreement shall remain in force until the case is settled by the competent body.
4. The agreement can be terminated prematurely by means of a decision taken by the [**Decision making body**], which also makes arrangements regarding the consequences of such premature termination. Should the Subsidy Contract terminate, the present Partnership Agreement would terminate equally.

## **Article 4**

### **Decision-making under the agreement**

1. Decisions with regard to the:
  - general project activities will be taken by [...] (e.g. the decision making body indicated in the application form)
  - individual activities of project partners will be taken by [...] (e.g. the decision making body indicated in the application form)
  - general project budget will be taken by [...] (e.g. the decision making body indicated in the application form )
  - individual budget of project partners will be taken by [...] (e.g. the decision making body indicated in the application form)
  - request for the exclusion and addition of partners will be taken by [...] (e.g. the decision making body indicated in the application form)
2. The decision-making process will be organised as follow: [...] (e.g. majority vote, 5% majority)

## **CHAPTER 2 – PARTNERS OBLIGATIONS**

## **Article 5**

### **General obligations of the parties**

#### **5.1. Obligations of the (Main) Urban Authority**

- (a) The (Main) Urban Authority will comply with all obligations deriving from the Subsidy Contract and the UIA Guidance, and is in charge of the overall coordination, management and implementation of the project.
- (b) The (Main) Urban Authority guarantees that it is entitled to represent the project partners participating in the project towards the Entrusted Entity/ Permanent Secretariat and other Initiative authorities. It shall sign the Subsidy Contract on behalf of all partners, and provide them with a copy thereof.
- (c) The (Main) Urban Authority guarantees that all partners have complied with all legal requirements, and that all necessary approvals for the proper implementation of the project have been obtained. It is liable for infringements of obligations under this Contract by the project partners in the same way as for its own conduct.
- (d) The (Main) Urban Authority assumes sole responsibility for the entire project towards the Entrusted Entity. It will ensure the timely commencement of the project, and the implementation of the entire project within the time schedule in compliance with all obligations to the Entrusted Entity. Likewise, it shall ensure that all activities foreseen within the project are carried out respecting the Annex 1 to this Agreement, all relevant EU and national legislations, and are in line with the UIA Guidance.

- (e) It shall notify the Entrusted Entity of any factors that may adversely affect (delay, hinder or make impossible) the implementation of the project activities and/or financial plan, as well as all circumstances that may cause minor and major changes of the Contract.
- (f) The (Main) Urban Authority shall be the beneficiary of the ERDF grant and shall manage the funds in accordance with the details of this Partnership Agreement. Inter alia, it shall ensure their timely onward transfer to the project partners, within **[Timeframe to be defined by the partnership]**.
- (g) The (Main) Urban Authority shall be responsible for the administrative and sound financial management of the funds, including regarding the arrangements for recovering amounts unduly paid. It shall also be responsible for verifying that the expenditure declared by the partners has been incurred only for the purpose of implementing the project, and that it corresponds to the activities agreed between the project partners in the frame of the approved application form and in accordance with the Subsidy Contract.
- (h) Before submitting a request for change to the Permanent Secretariat, the (Main) Urban Authority shall obtain the approval of its partners on the changes proposed. The (Main) Urban Authority may set a deadline to the partners for this approval so that beyond this deadline the proposed changes are considered as approved by the partners.
- (i) The (Main) Urban Authority shall keep the project partners informed on a regular basis about all relevant communication between the itself and the Entrusted Entity/ Permanent Secretariat, and shall inform the partners about all essential issues connected to project implementation.
- (j) Any other tasks agreed with the project partners.

## **5.2. Obligations of the Project Partners**

- (a) Each Project Partner shall undertake all actions necessary for full, timely and smooth implementation of its part of the project, in line with the latest approved version of the application form, and as set out in the project work plan or otherwise agreed, and in accordance with the description of tasks in the Subsidy Contract;
- (b) Project partners agree to take all necessary steps enabling the (Main) Urban Authority to comply with its responsibilities as stipulated in the Subsidy Contract.
- (c) All partners shall comply with the provisions of the Subsidy Contract, the UIA Guidance, and the latest approved version of the application form.
- (d) All partners shall comply with the statutory rules under European law, national statutory regulations, orders, decrees and rulings, permits and exemptions which are relevant for the performance of the present agreement, specifically with respect to their own portion of the project. This includes inter alia, rules on public procurement, state aid, publicity, further rules on environmental protection and equal opportunities.

In addition, they shall fulfil the following obligations:

- (e) To nominate a project manager and a financial manager for the parts of the project for which it is responsible and give the (Main) Urban Authority the authority to represent the partner in the project.
- (f) To provide the (Main) Urban Authority/ Initiative authorities/ other bodies involved in the Initiative implementation, with all the requested information. This includes those necessary for project coordination, monitoring, implementation and evaluation, and for reporting purposes, requests for payment, and other documents or information requested by the Permanent Secretariat. The information so requested will be provided on time and complete.
- (g) To notify immediately the (Main) Urban Authority of any event or relevant circumstances that could lead to a temporary or final discontinuation or any other deviation of the project, or adversely affect implementation of the project in accordance with the work plan (correctness, timeliness, effectiveness or completeness of the actions). It shall also inform the (Main) Urban Authority of any change related to the name of the organisation, contact details, legal status or any other change concerning the partner's legal entity which may have an impact on the project or on their eligibility to the Initiative.
- (h) To make the partner contributions available as foreseen in the latest approved version of the application form and this partnership agreement.
- (i) To comply with the planned budget by budget line, spending plan by partner, allocation of tasks and objectives, outputs and results by partner as indicated in the Application Form and to notify the (Main) Urban Authority without delay of any event that may lead to a deviation.
- (j) To actively encourage the involvement of the stakeholder groups, their participation in the project, and their cooperation with respect to disseminating the project results.

## **Article 6**

### **Project and Initiative performance**

1. In case a project partner does not successfully reach one or more expected objectives, outputs, or results as set out in the application form, the concerned project partner is responsible to follow the requested corrective measures by the Initiative authorities.
2. In case one or more project partner(s) fail(s) to respect the contractual arrangements on delivery in time, delivery to budget and delivery of outputs as defined in the annexes of this agreement, the Initiative may reduce the subsidy allocated to the project and, if necessary, stop the project by terminating the subsidy contract. In such cases, the concerned project partner(s) will be liable in compliance with the article 13 of this agreement.
3. Subsidy payments not requested by each project partner in time and in full may be lost for the concerned project partner.

**Article 7**  
**Eligibility of Expenditure**

1. Each project partner can only report eligible expenditure. In order to be deemed eligible, the reported expenditure of each project partner shall:
  - a. relate to activities and costs which are carried out, incurred, and paid from the date of the Approval Decision to the project end date as indicated in the application form;
  - b. relate to activities set out in the application form which are necessary for carrying out the project and achieving the project's objectives, outputs and results, and are included in the budget of the application form;
  - c. be reasonable, justified, and comply with the applicable EU and Initiative rules. In the absence of rules set at EU or Initiative level or in areas that are not precisely regulated, national or institutional rules in accordance with the principles of sound financial management apply;
  - d. be incurred and paid out by the project partner and be substantiated by proper evidence allowing identification and checking;
  - e. be identifiable, verifiable, plausible, determined in accordance with the relevant accounting principles, and recorded in a separate accounting system or with an adequate accounting code;
  - f. be verified by a first level controller in accordance with Regulation (EU) no 1303/2013, Article 125(4).
2. By derogation to Article 7.1 (a) to (e), simplified costs options may be indicated in the UIA Guidance and have to be applied accordingly by each project partner.
3. In case a project partner does not comply with the eligibility rules, the (Main) Urban Authority and/or the Initiative authorities may impose corrective measure which have to be implemented by the concerned partner. Those corrective measures can lead to the exclusion of any ineligible expenditure and to the request for repayment of all or part of the concerned subsidy.

**Article 8**  
**Management of the advance payment, preparation and closure costs, and financing of joint activities**

1. The management of the advance payment shall be arranged as follows: [*concrete details on how the management of the advance payment will be arranged are to be included here.*]
2. The preparation costs will be reimbursed through a lump sum of EUR 20 000 per project, and the closure and knowledge transfer costs are covered by a lump sum of EUR 15 000 per project. The corresponding ERDF, respectively maximum EUR 16 000 and EUR 12 000, will be paid to (Main) Urban Authority, and will be distributed among the project partners in accordance with Annex 3 (preparation costs division).

3. The financing of joint activities are governed by the contracting-partner-only principle. The contracting partner is the only one that budgets, contracts, actually pays, ensures verification and reports 100% of the cost item of joint benefit and receives the related ERDF. The arrangements for sharing costs between partners are defined between the involved partners. *[If applicable, concrete details on how the procedures and individual shares of shared costs for each partner can be included here.]*

## **Article 9**

### **Audit rights, evaluation of the project and archiving of documents**

1. The European Commission, the European Anti-Fraud Office, the European Court of Auditors, or other Initiative authorities are entitled to audit the proper use of funds by the project partners or arrange for such an audit to be carried out by authorised persons.
2. Each project partners will produce all documents required for the audit, provide necessary information and give access to their business premises.
3. In accordance with Regulation (EU) 1303/2013 Articles 56 and 57, each project partner undertakes to provide independent experts or bodies carrying out any project evaluation with any document or information necessary to assist the evaluation.
4. Each project partner will archive documents related to the project implementation, for a period of five years after the payment of the balance. This period shall be longer if there are on-going audits, appeals, litigation or pursuit of claims concerning the contract. In such cases, the project partners shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected.
5. In accordance with Regulation (EU) No 1303/2013, Article 140 (the archiving of the documents) each project partner must ensure that all documents are kept either:
  - a. in their original form;
  - b. as certified true copies of the originals;
  - c. on commonly accepted data carriers including electronic versions of original documents
  - d. or documents existing as electronic version only.Notwithstanding the foregoing, the archiving formats have to comply with national legal requirements.
6. The requirements as indicated in points (4) and (5) also apply to any project partner which leaves the partnership before the end of the project.

## **Article 10**

### **Communication and publicity**

1. Each project partner will implement a communication and dissemination plan that ensures adequate promotion of the project and its results towards potential target groups, project stakeholders and the general public in compliance with the Annex XII (2.2) of Regulation (EU) No 1303/2013, the subsidy contract (Article 12) and the UIA Guidance. Particular attention

shall be paid by beneficiaries to the visibility of the EU funding: any communication or publication related to UIA projects made by beneficiaries, including at conferences, seminars or in any information or promotional materials, shall indicate Union support and shall display the European Union emblem. When displayed in association with another logo, the European Union emblem must have appropriate prominence.

2. The Project partners shall produce their communication material for local stakeholders and citizens in their own language.
3. Unless differently required by the Entrusted Entity, any notice or publication in relation to the project, made in any form and by any means, including the Internet, must state that it only reflects the author's views and that the Initiative authorities are not liable for any use that may be made of the information contained therein.
4. Each project partner agrees that the Initiative authorities shall be authorised to publish, in any form and by any means, including the Internet, the following information:
  - the name and contact details of the (Main) Urban Authority and of the project partners,
  - the project name,
  - a summary of the project activities,
  - the objectives of the project and the subsidy,
  - the project start and end date,
  - the amount of the subsidy and the total budget of the project,
  - the geographical location of the project implementation,
  - progress reports including the final report

## **Article 11**

### **Intellectual Property Rights**

1. All intellectual property, outputs and results (whether tangible or intangible) that derive from the project will be the property of the (Main) Urban Authority and the project partners.
2. Notwithstanding the terms of Article 11.1, the other types of results of the project have to be made available to the general public free of charge by the (Main) Urban Authority and project partners. The Entrusted Entity and any other relevant Initiative stakeholder (e.g. the European Commission) may reserve the right to use all the results for information and communication actions in respect of the Initiative. If there are pre-existing intellectual and industrial property rights which are made available to the project, these will be fully respected provided that they are notified by the (Main) Urban Authority and project partners to the Entrusted Entity in writing.
3. Any income generated by the intellectual property rights must be managed in compliance with the applicable EU, national and Initiative rules in the fields of net revenue and state aid.

*[If applicable, concrete details on how the project will handle and agree upon the intellectual property rights for the project's outputs and results can be included here.]*

**Article 12**

**Responsibilities of the parties**

1. The (Main) Urban Authority solely assumes responsibility for the entire Project as defined in the Subsidy Contract towards the Entrusted Entity.
2. Each Project Partner is directly and exclusively responsible to the (Main) Urban Authority for the due implementation of its respective project part, and for the proper fulfilment of its obligations as set out in this Agreement and in the Application Form.
3. In case a project partner does not comply with its obligations as agreed upon in this agreement and the relevant annexes, the concerned project partner shall be the sole responsible for any liabilities, damages and costs, resulting from the non-compliance.
4. In specific cases of cooperation with third parties (e.g. concluding sub-contracts) including suppliers of good/services, the project partner concerned shall remain solely responsible to the (Main) Urban Authority concerning compliance with its obligations as set out in this agreement. The (Main) Urban Authority shall be informed by the project partner about the subject and party of any contract concluded with a third party. Any contracts with third parties will have to be concluded in accordance with EU and national legislation, including procedures set out in the public procurement rules applicable to the contracting partner.
5. In case of irregularities the (Main) Urban Authority bears the overall responsibility towards the Entrusted Entity for the repayment of the amounts unduly paid. If the irregularity is committed by another Project Partner, the concerned organization shall repay to the (Main) Urban Authority the amounts unduly paid. When amounts unduly paid to a Project partner cannot be recovered due to negligence of the (Main) Urban Authority, the latter shall remain responsible for the repayment.

**Article 13**

**Non-fulfilment of obligations and liability**

1. Should one of the project partners not fulfil its obligations, the (Main) Urban Authority shall warn the concerned partner and remind this partner to comply within a maximum of [DAYS]. The (Main) Urban Authority shall make any effort to contact the concerned partner(s) in order to solve the difficulties, including seeking the assistance of the Permanent Secretariat / the Entrusted Entity of the Initiative. The project partners undertake to find a rapid and efficient solution.
2. Should the non-fulfilment of obligations continue, in spite of notifications as mentioned under point 1 of this article, the (Main) Urban Authorities may decide to exclude/replace the concerned project Partner, with approval of the other partners. The Entrusted Entity/ Permanent Secretariat shall be informed immediately by the (Main) Urban Authority of such a decision.
3. In case of non-fulfilment of a partner's obligations having financial consequences for the funding of the project as a whole, the (Main) Urban Authority may demand compensation to cover the sum involved.

4. Each partner shall be liable to the other project partners and shall indemnify for any damages or costs resulting from the non-compliance of its contractual duties as set forth in this Agreement and the relevant annexes.
5. No project partner shall be held liable for not complying with its obligations as agreed upon this agreement, should the non-compliance be caused by *force majeure*. In such a case, the partner involved must announce this immediately in writing to the other partners of the project. The *force majeure* is any unpredictable and insurmountable event, occurred after the signing of the present Agreement and that prevents the total or the partial execution of the Agreement (e.g. wars, natural calamities, general strikes, insurrections, revolts, epidemics, earthquakes, floods and other similar events that cannot be attributed to any party of / bonded by the Agreement). The *force majeure* exonerates the parties of the responsibility for not executing partially or totally the obligations stipulated in the Agreement during the period they appear and only if the events were properly notified. It is not considered as being *force majeure* any event similar to those presented above, that, without creating an impossibility of execution, makes the execution of the obligations very difficult for one of the parties.

#### **Article 14**

#### **Repayment of funds**

1. Should the Entrusted Entity, in accordance with the provisions of the Subsidy Contract, demand repayment from the (Main) Urban Authority of all or part of the subsidy already transferred, each partner concerned by the irregularity resulting in the repayment, is obliged to reimburse its share of the subsidy amount unduly received to the (Main) Urban Authority.
2. The (Main) Urban Authority shall, without delay, inform the concerned partner about any ERDF amount unduly paid due to an irregularity as soon as it is informed by the Entrusted Entity. It shall also forward, without delay, the letter by which the Entrusted Entity has asserted the recovery order and notify each partner of the amount to be repaid. This amount is due by the deadline indicated by the (Main) Urban Authority in accordance with the recovery procedure described in the UIA Guidance.
3. In case the amount to be recovered shall be subject to interest, the interest rate will be determined in accordance with the provisions of the Subsidy Contract (Article 16.4) and would be applied to each concerned partner.

### **CHAPTER 4 – CONCLUDING PROVISIONS**

#### **Article 15**

#### **Delegation and legal succession**

1. No project partner shall have the right to transfer its rights and obligations under this agreement without the prior consent of the other project partners and the responsible Initiative implementing bodies.

2. In cases of legal succession (e.g. when the beneficiary changes its legal form), the (Main) Urban Authority or the concerned partner is obliged to transfer all duties under this agreement to the legal successor. The (Main) Urban Authority shall be notified by the concerned partner in written form, and shall notify the Entrusted Entity/ Permanent Secretariat according to the provisions set out in the Subsidy Contract.

#### **Article 16**

##### **Changes in the Partnership**

1. The project partners agree not to back out of the Project unless they have unavoidable reasons to do so, being aware of the fact that all changes in the partnership need an approval of the relevant Initiative authorities.
2. The (Main) Urban Authority informs the Permanent Secretariat as soon as changes in the partnership are foreseeable. Changes in the partnership require a duly justified formal request for change from the (Main) Urban Authority to the Permanent Secretariat, and enter into force only after the approval by the relevant Initiative authorities. However, once approved, they are valid retrospectively starting from the date when the written request was submitted to the Permanent Secretariat. When required, an amendment to the Partnership Agreement may be issued.
3. In case a project partner withdraws from the Project or is excluded from it, the remaining partners shall undertake to find a rapid and efficient solution to ensure proper project implementation without any delay. Consequently, the partners shall endeavor to cover the contribution of the withdrawing partner, either by assuming its tasks by one or more of the remaining partners or in exceptional cases by involving a new partner in the partnership in line with the respective provisions.
4. The provisions set for audits in Article 9 remain applicable to the partner that backed out of the project or was excluded from the project.

#### **Article 17**

##### **Amendment of the agreement and project modification**

1. This agreement shall only be amended in writing by means of an amendment to that effect signed by all parties involved. The (Main) Urban Authority shall notify the Permanent Secretariat of any amendment or supplement to the present Agreement.
2. Modifications to the project that have been approved by the relevant Initiative authorities, in compliance with the procedure set in the UIA Guidance, can be carried out without amending the present agreement.

#### **Article 18**

##### **Dispute Settlement**

1. In case of any disputes (even if regarded as such by only one of the partners), which may arise owing to a further agreement or an actual action which is wholly or partly subject to the present agreement, the project partners shall first work towards an amicable settlement.
2. In case the partners do not reach an amicable settlement, the settlement will be adjudicated by the competent court in the district in which the (Main) Urban Authority has its registered office.

The (Main) Urban Authority's registered office being located in [address], the Parties herewith agree that [name and address of the forum] shall have competence to rule in all legal disputes arising from this Agreement.

### **Article 19**

#### **Final provisions**

1. The working language of this Partnership shall be [...]. The present Agreement is concluded in [.....] language. Any official internal document of the Project shall be made available in English.
2. This agreement is governed by [...] law, being the law of the country where the (Main) Urban Authority is located.
3. In case of discrepancies between the Subsidy Contract and this Partnership Agreement, the provisions of the Subsidy Contract shall prevail.
4. If any provision in this agreement should be wholly or partly ineffective, all other provisions remain binding, and the parties to this agreement undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.
5. The present agreement is done in [number of Project Participants signing the Partnership Agreement +1] originals of which each party keeps one original. Each one must be countersigned by every Project Partner. One of the signed originals shall be transmitted to the Entrusted Entity.
6. The Parties signing the Partnership Agreement have fully understood and accepted the contents of the Subsidy Contract and undertake the activities and responsibilities in the meaning as included therein.

## Signatures

Place, Date:

Name of (Main) Urban Authority:

Name and function of legal responsible:



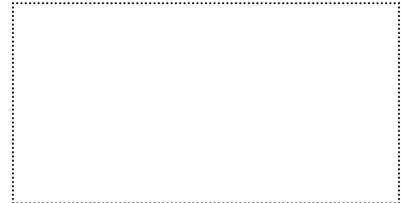
Stamp

Signature:

Place, Date:

Name of Project Partner X:

Name and function of legal responsible:



Stamp

Signature:

[.....]