



FactSheet

No. 3.2

Subsidy contract

According to the European structural and investment funds (ESI) Regulations 2014-2020 the managing authority (MA) shall provide to the lead partner (LP) a document setting out the conditions for the ERDF-co-financing of the project, including specific requirements concerning the products or services to be delivered by the project, the financing plan and the time-limit for execution. Therefore, the MA will conclude a so-called subsidy contract (SC) with the LP.

In case the project has a LP from a Non-Member State and an ERDF-lead partner (ERDF LP) from a Member State this SC will be concluded with LP and ERDF-LP.

The SC is an essential element within the framework of managing and monitoring the territorial cooperation programmes. This contract stipulates the rights and duties of the LP (and ERDF-LP, if such exists) as well as of the programme bodies and other organisations involved in the implementation of the programme (e.g. MA, joint secretariat (JS), programme committee, certifying authority, first level control bodies, organisations involved in the second level control). It regulates issues like reporting obligations and procedures, conditions for project changes, obligations and rights related to information and communication activities, provisions on financial controls and audits of the project, use and ownership of project results or liabilities of the LP.

Since the tasks of the MA are performed by the Land of Salzburg in Austria the subsidy contract is based on Austrian law.



Experience has shown that various project participants cannot start with project activities as long as partnership agreement (PA) and SC are not signed. With the aim to speed up the contracting procedure, the programme foresees that project applicants have to submit photocopies of the already signed PA together with the application form (AF) (see annexes).

The programme has set up a template SC which will be used for all projects selected for co-financing.

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

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

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

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

The JS and MA will provide support to clarify any other legal questions related to the SC and the project. The occasion of the above-mentioned transnational seminar shall be used by the LP to have an exchange with the JS and MA on these issues.

Reference Documents

- EU Regulation 1303/2013, art. 125(3)
- EU Regulation 1299/2013, art. 12(5)
- Cooperation programme "Alpine Space", Section 5.3
- Factsheet 'Partnership agreement'.



Annexes

- Template subsidy contract for projects with a LP from a Member State
- Template subsidy contract for projects with a LP from a Non-Member State and an ERDF-LP from a Member State