



**New Programming Period 2007-2013:**

Sample of a

**Multilateral Agreement /  
Memorandum of Understanding**

laying down principles concerning the EU Member

States participating in 2007-2013 Territorial

Cooperation Objective Programmes

## **Rationale of a Multilateral Agreement / Memorandum of Understanding**

**For the 2007-2013 programming period**, Article 59.3 of ERDF Council Regulation (EC) No. 1083/2006 states:

*“The Member State shall lay down rules governing its relations with the authorities referred to in paragraph 1 and their relations with the Commission.*

*Without prejudice to this Regulation, the Member State shall lay down the mutual relations between the authorities referred to in paragraph 1, which shall carry out their tasks in full accordance with the institutional, legal and financial systems of the Member State concerned.”*

With this legal framework in mind and in order to ease the preparation of 2007-2013 Territorial Cooperation Objective Programmes, the INTERACT Programme has prepared the present document for distribution at the ***INTERACT Conference - European Territorial Cooperation Programmes 2007-2013 - Expectations, changes and challenges, Budapest, March 29 and 30 2007.***

This **sample Multilateral Agreement / Memorandum of Understanding** is addressed to Managing Authorities of 2007-2013 Territorial Cooperation Objective Programmes whose responsibility it is to prepare such a document to be signed by Member States and/or the bodies responsible for programme management, namely the Managing Authority, Certifying Authority and Audit Authority.

**During the 2000-2006 programming period**, some programmes have produced and signed this type of binding document, called variously a “Letter of Agreement”, “Memoranda of Understanding”, “Conventions” or simply “Agreements”. Regardless of name, these documents detail each party’s rights and duties, as well as their means of cooperation for programme management.

This key document is meant to lay down all binding obligations between the respective bodies and to set the basis for solving any dispute that may arise. The **value added** of having a Multilateral Agreement / Memorandum of Understanding signed is, on the one hand, to reinforce each party’s commitment to cooperate on a contractual and legally binding basis, and to ensure compliance with decision-making procedures as well as with EU and national legislation. On the other hand, they lay the groundwork for an optimal understanding of these duties and responsibilities by all signatories.

Bearing this in mind, the INTERACT Programme aims with this document to provide the next generation of 2007-2013 Territorial Cooperation programmes with a **tool for immediate use** in the preparation of 2007-2013 Territorial Cooperation Objective Programmes. Certain details will of course need to be adjusted for each programme but it is hoped that the current document will serve as a time-saving model when developing the Memorandum of Understanding. Sections in square brackets [...] are programme specific and will not be relevant in most cases.

## **Agreement**

**between the EU Member States and XXX acting as Managing and Audit Authority and  
XXX acting as Certifying Authority on the Implementation of the Operational  
Programme  
"XXX 2007-2013"**

In accordance with

the EU regulations laying down provisions on the Structural Funds, in particular Council Regulation (EC) No. 1083/2006 of 11 July 2006, Regulations (EC) No. 1080/2006 , No. 1082/2006 of the European Parliament and of the Council of 5 July 2006, Commission Regulations (EC) No. 1828/2006 of 8 December 2006 and No. 643/2000 of 28 March 2000,

the EU-Member States,

**(please delete Member States not involved in the programme)**

the Federal Republic of Austria, the Kingdom of Belgium, the Republic of Bulgaria, the Republic of Cyprus, the Czech Republic, the Kingdom of Denmark, the Republic of Estonia, the Republic of Finland, the Republic of France, the Federal Republic of Germany, the Republic of Greece, the Republic of Hungary, the Republic of Ireland, the Republic of Italy, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Poland, the Republic of Portugal, the Republic of Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland

have agreed on the Operational Programme XXX 2007 – 2013 Good Governance of Territorial Cooperation Programmes" (hereinafter referred to as **OP**), approved by the European Commission on XXX.

## Preamble

1. With reference to Article 59 (3) of Regulation (EC) No. 1083/2006 [and in accordance with the OP] the EU-Member States have decided to sign an agreement with XXX acting as Managing and Audit Authority and XXX acting as Certifying Authority on the implementation of the OP and regulating especially financial control procedures, financial responsibilities and financial flows.
2. Similar agreements shall be made with Non-Member Countries participating in XXX 2007-2013 programme [in a step by step approach according to the provisions made by the OP].

### (if needed: )

3. Given the specific character of the XXX 2007-2013 programme, the following definitions have been made [in the OP]:
  - **beneficiaries** in the meaning of Article 2 (4) of Regulation (EC) No. 1083/2006 are “operators, bodies or firms whether public or private, responsible for initiating, or initiating and implementing operations.”
  - **operations** in the meaning of Article 2 (3) of Regulation (EC) No. 1083/2006 are “a project or group of projects selected by the managing authority of the operational programme concerned or under its responsibility according to criteria laid down by the monitoring committee and implemented by one or more beneficiaries allowing achievements of the goals of the priority axis to which it relates.”
  - **priority axis** in the meaning of Article 2 (2) of Regulation (EC) No. 1083/2006 are “XXX”
  - **intermediate body** in the meaning of Article 2 (6) of Regulation (EC) No. 1083/2006 are “XXX”
  - XXX in the meaning of Article 2 (XXX) of Regulation (EC) No. 1083/2006 are “XXX”

## § 1. Institutional Structure

1. The Member States designate **XXX** to act as **Managing Authority** (hereinafter referred to as **MA**) within the meaning of Article 59 (1) lit a of Regulation (EC) No. 1083/2006 and in compliance with Article 60 of Regulation (EC) No. 1083/2006 and Articles 14 and 15 of Regulation (EC) No. 1080/2006.
2. The Member States designate **XXX** to act as **Certifying Authority** (hereinafter referred to as **CA**) within the meaning of Article 59 (1) lit b of Regulation (EC) No. 1083/2006 and in compliance with Article 61 of Regulation (EC) No. 1083/2006 and Article 14 of Regulation (EC) No. 1080/2006.
3. The Member States designate **XXX** to act as **Audit Authority** (hereinafter referred to as **AA**) within the meaning of Article 59 (1) lit c of Regulation (EC) No. 1083/2006 and in compliance with Article 58 lit b, 59 (4) and 62 of Regulation (EC) No. 1083/2006 and Article 14 (2) of Regulation (EC) No. 1080/2006.
4. The AA will be assisted by a **group of auditors** according to Article 14 of Regulation (EC) No. 1080/2006 comprising a representative of each Member State.
5. According to Article 71 (2) of Regulation (EC) No.1083/2006 the **AA** assisted by a group of auditors shall assess the management and control system set up and draw up a report on its conclusions giving an opinion on their compliance with Articles 58 to 62 of Regulation (EC) No.1083/2006 to be transmitted to the European Commission. The opinion shall be drawn up in accordance with the model set out in Annex XIII of Regulation (EC) No 1828/2006.
6. The **MA**, **CA** and **AA** carry out the tasks appointed in compliance with the above mentioned regulations that apply to the Structural Funds, the requirements set out in the OP, the description of the management and control systems according to Article 71 of Regulation (EC) No. 1083/2006, **[XXX]** and this agreement.
7. Without prejudice to these provisions, the **MA**, **CA** and **AA** shall carry out their tasks in full accordance with the institutional, legal and financial systems of **XXX** as stated in Article 59 (3) of Regulation (EC) No. 1083/2006.

8. For the administrative implementation of the programme the MA shall set up, supervise and be assisted by the **Joint Technical Secretariat** (hereinafter referred to as **JTS**) according to Article 14 (1) of Regulation (EC) No. 1080/2006 [and the stipulations of the OP]. The tasks [are listed in the OP section **XXX** and] comprise technical management functions and operative functions for programme implementation.
9. The **Monitoring Committee** (hereinafter referred to as **MC**) will, on behalf of the Member States, satisfy itself as to the effectiveness and quality of the implementation of the OP in accordance with Article 65 and 66 of Regulation (EC) No. 1083/2006. Therefore, each Member State appoints representatives to sit in the MC [as set out in the OP] in accordance with Article 14 of Regulation (EC) No.1080/2006 and Article 63 and 64 of Regulation (EC) No. 1083/2006. Each member of the MC appointed will serve as the sole addressee for the MA for all enquires and reports except where a Member State names another addressee in its sphere of jurisdiction to take over this responsibility.

## **§ 2. Duties of the MA, CA and AA**

1. As set out in Article 15 (1) of Regulation (EC) No. 1080/2006 the **MA** is responsible for the management and implementation of the OP in accordance with the principle of sound financial management according to Article 27 of Regulation (EC, Euratom) No. 1605/2002. [The MAs` responsibilities are set out in the OP section **XXX**.] According to Article 21 of Regulation No. 1828/2006 the MA shall provide a description of the management and control system according to Article 71 of Regulation (EC) No. 1083/2006 and in accordance with the model set out in Annex XII of Regulation (EC) No. 1828/2006.
2. The **MA** designates a contact person to be responsible for information and publicity and informs the European Commission of those designated. This person shall actively participate in Community networks which might be set up according to Article 10 of Regulation (EC) No. 1828/2006. To support the MA the competent national and regional authorities of each Member State shall take all the appropriate administrative steps to ensure effective application of all arrangements that rest upon Regulation (EC) 1828/2006 Section 1 and to collaborate with the European Commission.

3. In order to fulfil Article 60 lit b of Regulation (EC) No. 1083/2006 the **MA** will rely on the control systems according to Article 16 of Regulation (EC) No. 1080/2006 set up in those Member States hosting a beneficiary. The Member States concerned shall ensure that all supporting documents required for a sufficient audit trail regarding expenditure incurred and payments made are recorded, stored in computerised form and made available, control systems are set up and verifications according to Article 16 of Regulation (EC) No. 1080/206 as well as audits on the OP according to Article 62 of Regulation (EC) No. 1083/2006 are carried out in accordance with the requirements of Article 90 of Regulation (EC) No. 1083/2006 and Article 19 of Regulation (EC) No. 1828/2006.
4. According to Article 60 lit g of Regulation (EC) 1083/2006 the **MA** shall ensure that the **CA** receives all the necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification so that the sufficiency of the control systems and the audit trail can always be taken into account before a statement of expenditure is presented to the European Commission.
5. The function of the **CA** will be carried out in compliance with Article 61 of Regulation (EC) 1083/2006. [The **CAs`** responsibilities are set out in the OP section **XXX.**]
6. For the purpose of certification, the **CA** shall ensure that it has received adequate information from the **MA** on the procedures and verifications carried out in relation to expenditure and that it takes account of the results of all audits carried out by or under the responsibility of the **AA**.
7. The functions of the **AA** will be carried out in compliance with Article 62 of Regulation (EC) No. 1083/2006 and Article 16 to 18 of Regulation (EC) No. 1828/2006. [The **AAs`** responsibilities are set out in the OP section **XXX.**]

### **§ 3. [National and] ERDF Funding Appropriations**

**For most programmes national ex ante contributions will be used for the national co-financing of Technical Assistance only. For some programmes however, ex ante national contributions by Member States will be used – together with ERDF funds – to finance various/all kind of activities within the programme. An extra section could**

**possibly be included to describe specific rules for national ex ante contributions for Technical Assistance.**

1. The **Member States** appoint the CA to administer [both the ex ante national contributions for Technical Assistance and] the ERDF funding in its own name and for the account of the Member States. According to Article 17 of Regulation (EC) No. 1080/2006 ERDF payments will be made to a single Euro-currency (€) programme account. The CA shall bear overall responsibility for the above-mentioned funds credited on the cited account. Any interest income earned on the national co-funding must be spent on the operations in accordance with the decisions of the MC and under the same terms as apply to the ERDF funding, according to Article 83 of Regulation (EC) 1083/2006.
2. The **Member States** shall transfer the payment of their national contribution after having received an official request by the MA within [60 days, or at the latest after approval of their national budget]. [With their first payment Member States will be able to choose to transfer their national ex ante contribution either annually for the respective year or at once for the entire programme period 2007-2013 or at once for several years on the basis of the financial plan agreed among the EU-Member States (see *Annex XXX* for the annual allocation of ex ante payments per Member State). When receiving the first request for payment the Member States are required to communicate to the MA the payment modalities chosen for the following years.]
3. In the case that – at the end of the programme implementation period – it becomes clear that the **Member States** have transferred more funds than have actually been used, the CA will repay these funds.

#### **§ 4. Subsidy Contracts and Payments to Beneficiaries**

1. The decision on the use of the available EU [and related national Funds] is effected by the **MC**. Based on the decision of the MC on the proposals for operations and their financial plan submitted for approval, the MA concludes a subsidy contract in its own name with the beneficiaries on the implementation of the operations. To ensure a sound and efficient implementation of the operations the subsidy contract may only be concluded after the MA has received the confirmation that adequate control systems



according to Article 16 of Regulation (EC) 1080/2006 have been set up in the respective Member States as set out in § 1 (3) and § 5(2) and after the ultimate financial liability according to Article 17 of Regulation (EC) 1080/2006 has been confirmed for the beneficiary by the respective Member State.

2. If the **MA** finds these requirements not being fulfilled, it shall without delay inform the MC and try to find a solution.
3. Any financial support will be granted to the beneficiary exclusively for the activities to implement the operation described in the proposal approved by the MC, which are an integral part of the subsidy contract.
4. The subsidy contract is concluded in Euro (€).
5. Payments may only be made by the **CA** if the beneficiary provides proof of progress of the activities to implement the operation. The operations will present regular progress reports and invoices verified according to the requirements set out in § 5. The progress reports consist of an activity report and a financial report, including a table indicating the reporting period and the corresponding expenditure relating to each budget line. The financial report has to be signed by a controller independent from the operations' activities, designated by the Member States in which the beneficiary is located in compliance with Article 16 of Regulation (EC) 1080/206, certifying the eligibility of expenditure.
6. Pursuant to Article 80 of Regulation (EC) No. 1083/2006 the **CA** ensures that the beneficiaries receive the total amount of the funding as quickly as possible and in full. No other deduction, withholding or specific charges which would reduce the amount for the beneficiaries shall be applied.
7. Pursuant to Article 79 of Regulation (EC) No. 1083/2006 the final balance of the funding (5 % of the sum awarded according to the subsidy contract) shall only be paid out to the beneficiary when the programme has reached its actual finalization as described in Article 89 of Regulation (EC) No. 1083/206.
8. Funds will be disbursed in Euro (€) to the bank account named by the beneficiary and indicated in the subsidy contract. The rate of exchange risk is borne by the beneficiary.

## § 5. Control System (1<sup>st</sup> level control)

1. Pursuant to Article 60 lit b of Regulation (EC) No. 1083/2006 the **MA** is in particular responsible for verifying the delivery of the co-financed products and services, the soundness of the expenditure declared by the beneficiary and that it has actually been incurred and complies with Community and national rules as well as with the conditions set out in the subsidy contract, including rules on eligibility of expenditure, before any payments are effected to the beneficiaries.
2. In order to do so, the **MA** shall satisfy itself - with reference to Article 15 of Regulation (EC) No. 1080/2006 - that the expenditure of each beneficiary has been validated by a controller designated by the Member State hosting the beneficiary. Therefore, each of the Member States shall set up a control system in accordance with Article 16 of Regulation (EC) No. 1080/2006 and Section 3 of Regulation (EC) No. 1828/2006 to ensure that the MA is able to fulfil the sound implementation of the programme. Each Member State affected shall provide adequate information to the MA on the structures and procedures of its control system.
3. The **MA** has to satisfy itself that these control systems ensure that all supporting documents required for an adequate audit trail regarding expenditure incurred and payments made are recorded, stored in computerised form and made available in accordance with the requirements of Article 90 of Regulation (EC) No. 1083/2006 and Article 19 of Regulation (EC) No. 1828/2006, control systems are set up and verifications according to Article 16 of Regulation (EC) No. 1080/2006 as well as audits on the OP according to Article 62 of Regulation (EC) No.1083/2006 are carried out. The MA shall also satisfy itself that a record is maintained of the identity and location of the bodies holding these documents. In the standard case and according to the subsidy contract the beneficiary is responsible for keeping the documents ready. According to Article 60 lit f 1083/2006 the MA has to ensure that a sufficient audit trail at all levels for the entire programme period is maintained fulfilling the criteria as set out in Article 15 of 1828/2006.

4. These control systems shall provide for "certifications of expenditure" confirming the legality and regularity of the expenditure declared by the beneficiary. The confirmation derives from a competent controller independent from the implementation of the operation, who has been designated according to Article 16 of Regulation (EC) No. 1083/2006 by each of the affected Member States. The designation of a controller will be a precondition to the MA for signing the subsidy contract. In this sense, the aforementioned Member States assume the final financial responsibility for the funds allocated to the beneficiary in its respective national territory (see § 4 (1) above).
5. In case the **MA** has doubts on the effective functioning of the respective control system, it will address itself to the Member State concerned and try to find a solution.
6. The **MA** ensures that all outstanding questions will be fully followed-up before any payment claim is accepted. No payment claims will be accepted and no payment will be transferred to a beneficiary until full and satisfactory information has been provided on the control system.
7. The **MA** and the **CA** in cooperation with the Member States shall ensure that an adequate and reliable accounting system is maintained for the operations.

## **§ 6. Irregularities and Financial Liability**

1. With reference to Article 70 (1) lit b of Regulation (EC) No. 1083/2006 each **Member State** hosting a beneficiary is responsible for preventing, detecting and correcting irregularities and recovering amounts unduly paid together with any interest chargeable from the beneficiaries. In case amounts unduly paid to a beneficiary cannot be recovered, each Member State hosting a beneficiary shall be responsible for reimbursement when it is established that the loss has been incurred as a result of fault or negligence in the national control system set up according to Article 16 of Regulation (EC) No. 1080/2006 and § 5 above.
2. According to Article 28 (4) of Regulation (EC) No. 1828/2006 each **Member State** hosting a beneficiary is responsible for reporting irregularities detected in compliance with Article 28, 29, 31 and 36 of Regulation (EC) No. 1828/2006 to the European Commission and at the same time to the MA, CA and AA as well as for reporting of

procedures instituted with respect to all irregularities previously notified and of important changes resulting from them in compliance with Article 30 and 31 of Regulation (EC) No. 1828/2006.

3. In case irregularities are discovered, the respective control systems set up in each **Member State** hosting a beneficiary according to Article 16 of Regulation (EC) No. 1080/2006 and § 5 above have to ensure that – prior to certifying expenditures – any corrections required have been satisfactorily implemented. The affected Member State shall report irregularities detected as set out in § 6 (2) above.
4. If control procedures set up in the **Member States** hosting a beneficiary establish facts which require either a re-calculation of already disbursed ERDF-interim payments or a recovery of already fully accounted for and disbursed ERDF payments, the duties as set out in § 6 (1) and (2) above shall apply immediately.
5. In case the **MA** or **CA** discover irregularities e.g. during the day-to-day-management of an operation or in case the MA is notified of such irregularities as well as in case of breach of contract or infringement of the provisions it is based on, the CA in close cooperation with the MA shall, in consultation with the respective Member State concerned and the MC, demand repayment of the subsidy in whole or in part if the funds have already been paid out in accordance with Article 17 (2) No. 1080/2006. The repayment amount can be calculated against the next payment to the beneficiary or, where applicable, remaining payments can be suspended; the repayment amount calculated can also be charged against the amount of the subsidy withheld until the final balance of assistance is paid (5 % of the sum awarded according to the subsidy contract). Amounts received from the recovery of subsidy payments will be credited to the account of the programme.
6. In case the **CA** in close cooperation with the **MA** is not able to recover unjustified funding by the above means from the beneficiary, the Member State hosting the respective beneficiary bears the financial liability for irregularities committed by the beneficiary located on its national territory in accordance with Article 17 (3) No. 1080/2006 and has to repay the MA in compliance with Article 17 (3) of Regulation (EC) No. 1080/2006. If necessary, the MA shall, in consultation with the MC / MSC, exercise its right to terminate the subsidy contract.

7. The **MA** shall on request provide the Member State hosting a beneficiary with all the information they require in order to take up their responsibilities and liability towards the programme. This includes subsidy contracts, financial and progress reports and related assessments concerning the beneficiary located on their territory.
8. Should expenses for legal advice or legal charges arise for the **MA** in the scope of a recovery procedure, these are to be reimbursed to the MA by the Member State hosting the beneficiary concerned, provided that the Member State has been informed of and involved in the recovery procedure.
9. After recovery, the **CA** repays the irregular payments recovered, together with interest received on account of late payment, by deducting the amounts concerned from its next statement of expenditure and request for payment to the European Commission, or if this is insufficient, by effecting a refund to the Community.
10. Following the rules set out above, in case the **MA** and/or the **CA** is responsible for an irregularity, the liability vis-à-vis the European Commission as well as the MC is with the Member State hosting the MA and/or the CA. In case of systemic irregularities, the Member States hosting a beneficiary will jointly bear the financial consequences, whereby each Member State shall be responsible [in proportion to its ERDF contribution to the OP or in proportion to the ERDF contribution allocated for beneficiaries in its territory].
11. In the case that an interruption of payments according to Article 91 of Regulation (EC) No. 1083/2006, suspension of payments according to Article 92 of Regulation (EC) No. 1083/2006 or automatic de-commitment according to Article 93 of Regulation (EC) No. 1083/2006 results in any loss of funds, the same rules for liability apply as set out above.

## **§ 7. Audits**

### **(“2<sup>nd</sup> Level Control”)**

1. The **AA** together with the group of auditors referred to in Article 14 (2) of Regulation (EC) No. 1080/2006 shall ensure that audits are carried out in compliance with Article

62 lit a (system audit) and lit b (audit on operations) of Regulation (EC) No. 1083/2006 and Article 16 to 18 of Regulation (EC) No. 1828/2006.

2. The **AA** assisted by the group of auditors will jointly agree on the approach to audit implementation and will jointly decide on the audit strategy in accordance with the requirements set out in Article 62 (1) lit c of Regulation (EC) No. 1083/2006 and the model in Annex V of Regulation (EC) No. 1828/2006. They shall update and review the audit strategy annually and, if necessary, during the course of the year. The assigned auditors will undertake the audits in compliance with the audit strategy mutually agreed within the group of auditors.
3. In compliance with Article 62 (1) lit d of Regulation (EC) No. 1083/2006 the **AA** submits annual control reports to the Commission and issues each year an opinion to confirm the effective functioning of the management and control system put in place using the models set out in Annex VI and VII of Regulation (EC) No.1828/2006. In order to do so, the **AA** relies on single annual control reports issued by the auditors nominated into the group of auditors for the audits carried out in their duties as well as on single opinions issued from each auditor for the system put in place in his/her territory so as to provide a reasonable assurance that certifications of expenditure presented to the **MA** are correct and, as a consequence, the underlying transactions are legal and regular. Each of these single control reports and single opinions shall be drawn up using the models referred to above. The group of auditors, after having agreed upon this report, shall forward it to the **MA** in due time to be presented to the **MC** for information according to Article 65 lit e of Regulation (EC) No. 1083/2006.
4. If any of the single control reports and/or the single opinions does not allow the provision of an unqualified opinion for the annual opinion referred to in Article 62 (1) lit d or in the closure declaration referred to in Article 62 (1) lit e of Regulation (EC) No. 1083/2006, the **AA** shall give the reasons and estimate the scale of the problem and its financial impact in accordance with Article 18 (4) of Regulation (EC) No. 1828/2006.
5. The audits shall establish whether any problems encountered are of a systemic character. If so suggestions on financial corrections or amendments to the management and control system in general shall be made.

6. In compliance with Regulation (EC) No. 1083/2006 Article 62 (1) lit e and Article 18 (3) of Regulation (EC) No. 1828/2006 the **AA** submits a closure declaration supported by a final control report in accordance with the model set out in Annex VII of Regulation (EC) No. 1828/2006. The same share of responsibilities among the AA and the participants of the group of auditors apply as set out in paragraph 6 above.
7. Following Regulation (EC) No. 1083/2006 Article 73 the **AA** supported by the group of auditors shall cooperate with the Commission to coordinate their audit plans and audit methods and to immediately exchange the results of the audits carried out.

### **§ 8. Applications for Payments to the EU**

1. The **CA** shall send a provisional forecast of the likely applications for payment for the current and the subsequent financial year to the European Commission, no later than 30 April of each year as stated in Article 76 (3) of Regulation (EC) No. 1083/2006.
2. According to Article 61 lit a of Regulation (EC) 1083/2006 the **CA** shall prepare the certified statements of expenditure in accordance with the requirements set out in Article 78 of Regulation (EC) No. 1083/2006 and based on the certifications of expenditure received from the controllers designated for each Member State hosting a beneficiary as described in § 5 above and shall transmit applications for payment to the European Commission. The certified statements of interim and final expenditure and the payment applications shall be drawn up in the format prescribed in Annex X of Regulation (EC) No. 1828/2006.
3. According to Article 20 (2) of Regulation (EC) No. 1828/2006 the **CA** shall send a statement to the European Commission identifying the amounts withdrawn and/or recovered for each priority axis in the format as described in Annex XI of Regulation (EC) No. 1828/2006.

### **§ 9. Reporting Duties**

1. The **MA** shall submit the annual report and final report on implementation to the European Commission in accordance with the requirements set out in Article 67 of

Regulation (EC) No. 1083/2006. Before doing so, the MA shall transmit the reports to the MC for consideration and approval as set out in Article 65 lit d of Regulation (EC) No. 1083/2006.

2. In compliance with Article 68 of Council Regulation (EC) No. 1083/2006 the **European Commission** and the **MA** shall annually examine the programme implementation taking into consideration the results achieved in the previous year. The members of the MC can take part in these review meetings. Should the European Commission make comments, the MC will be informed about it and decisions shall be taken on how to respond to those comments. The Commission will be informed about any response taken by the MA.
3. The **MA** shall inform the MC about the annual control report as set out in Article 65 lit e of Regulation (EC) No. 1083/2006.

### **§ 10. Organisation of Programme Closure**

The **AA** assisted by the group of auditors will lay down adequate modalities and procedures for jointly signing the closure declaration according to Article 62 lit e of Regulation (EC) No. 1083/2006.

### **§ 11. Final Regulations**

1. This Agreement shall be governed in accordance with the laws of **XXX**. In case of differences that are not ruled by this agreement, the parties agree to find an amicable and mutually acceptable solution. Should the parties fail to do so, all disputes arising in connection with this agreement shall be settled by the competent jurisdiction in **XXX** in the first instance.
2. The **Member States** shall undertake their utmost to support the MA, CA, AA, JTS and **XXX** in their efforts to best implement the **XXX** programme and to comply with the tasks pursuant to this agreement. This includes supporting the MA and the other beneficiaries in best implementing the Communication Strategy and, according to Article 24 of Regulation (EC) No. 1828/2006, providing the MA, CA and AA access to all the information which



they require to discharge their responsibilities, and transmitting their national contributions [as set out in § X below] without delay.

3. If any provision of this agreement should be or become wholly or partly ineffective, all other provisions remain valid. The parties to this agreement will undertake all necessary steps and actions to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.
4. Amendments to this agreement require written approval.
5. Written communication between the MA, CA, AA, JTS, XXX and the Member State is carried out in English.
6. **[if applicable:** This agreement shall be open for acceptance by the Non-Member Countries Norway and Switzerland as well as by Non-Member State Partners in IPA programmes.]
7. This agreement for the execution of the XXX 2007-2013 programme shall be signed by representatives of [all Member States/ Member State XXX, YYY, ZZZ], XXX acting as Managing and Audit Authority and XXX acting as CA. It becomes effective on the date on which the last signature is given and shall apply for the duration of the implementation of the OP including the preparation of the final report according to Article 67 of Regulation (EC) No. 1083/2006 and the closure of the whole programme. It will be signed separately by each Member State in two originals.

**The Managing Authority**, represented by

XXX

Place, Date: \_\_\_\_\_

Name and function of the person entitled to  
represent the Managing Authority:

\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

**The Audit Authority**, represented by

XXX

Place, Date: \_\_\_\_\_

Name and function of the person entitled to  
represent the Audit Authority:

\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

**The Certifying Authority**, represented by

XXX

Place, Date: \_\_\_\_\_

Name and function of the person entitled to  
represent the Certifying Authority:

\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

**The Member State XXX**, represented by

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of authority entitled to represent the  
<Member State **XXX**>)

Place, Date: \_\_\_\_\_

Name and function of the person entitled to  
represent the Member State **XXX**:

\_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

**The Member State XXX**, represented by

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of authority entitled to represent the  
<Member State **XXX**>)

Place, Date: \_\_\_\_\_

Name and function of the person entitled to  
represent the Member State **XXX**:

\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

**The Member State XXX**, represented by

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of authority entitled to represent the  
<Member State **XXX**>)

Place, Date: \_\_\_\_\_

Name and function of the person entitled to  
represent the Member State **XXX**:

\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_