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Holder of information: State Shared Service Centre\*

## **Interreg VI-A Estonia-Latvia Programme**

### **Subsidy Contract**

**for the implementation of the project**

**Protecting cross-border groundwater resources and dependent  
ecosystems from extreme climate events and pollution with real-time  
monitoring and digital springs no 11.1-4/26/43**



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### Preamble

The subject matter of this Subsidy Contract (hereinafter referred to as the '*Contract*') is the legally binding agreement on implementation and management of the

Subject:	Protecting cross-border groundwater resources and dependent ecosystems from extreme climate events and pollution with real-time monitoring and digital springs
Acronym:	HydroScope
Lead Partner Organisation:	Eesti Geoloogiateenistus
Priority:	3 - Sustainable and resilient programme area
Specific Objective:	3.1 - Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution
Start and end dates of the project:	01/01/2026 – 31/12/2028
Duration of the project:	36 months

The following Contract is concluded between State Shared Service Centre acting as Managing Authority of the Interreg VI-A Estonia-Latvia Programme (hereinafter referred to as the '*Programme*') with its office at:

Lõkke 4  
10122 Tallinn  
Estonia  
Tel.: +372 663 8200

represented by the Head of Managing Authority Anu-Maaja Pallok

and

Eesti Geoloogiateenistus with its registered address at F. R. Kreutzwaldi 5, 44314 Rakvere represented by its authorised representative

Sirli Sipp Kulli, Director

of the project Protecting cross-border groundwater resources and dependent ecosystems from extreme climate events and pollution with real-time monitoring and digital springs,

hereinafter referred to as the '*Lead Partner*', in the meaning of the Article 26 of the Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments.

## Article 1

### Applicable legal framework

The Lead Partner guarantees that the project is implemented and managed in accordance with the EU regulations as well as the horizontal principles and initiatives of the European Union, the rules and instructions set out in the Programme Manual as well as applicable national legislation.

#### Legal basis

- Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (hereinafter referred to as the '*Common Provision Regulation*');
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund;
- Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (hereinafter referred to as the '*Interreg Regulation*');
- Commission Regulation (EU) No 651/2014, of 17 June 2014 declaring specific categories of State aid compatible with Article 107 and 108 of the Treaty (so called the State aid General Block Exemption Regulation, hereinafter referred to as the '*GBER*');
- Other relevant legal acts of the European Commission.

#### Estonian regulations defining the position and responsibilities of the State Shared Service Centre in relation to the management and implementation of the Programme

- 2021–2027 European Union Cohesion and Internal Security Policy Funds Implementation Act;
- Statute of the State Shared Service Centre.

#### Programme documents

- Interreg Programme (Interreg VI-A) Estonia-Latvia, CCI No. 2021TC16RFCB043, approved by the European Commission on 30 November 2022 Decision No. C(2022) 8951;
- The Programme Manual, its annexes and other relevant programme documents published on the Programme website [www.estlat.eu](http://www.estlat.eu).

#### Respective national regulations

- National legislation applicable to the Programme Authorities, to the Lead Partner and Project Partners in Estonia and Latvia.



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### **Horizontal principles**

All projects must respect the horizontal principles of the Programme, which are sustainable development, including the 'Do No Significant Harm' (hereinafter referred to as the 'DNSH') principle, equal opportunities and non-discrimination, and equality between men and women. All projects must follow the DNSH principle according to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, by causing no significant harm as described in Article 17 to any of the environmental objectives defined in Article 9.

In case DNSH assessment of the Programme has identified possible risks due to the specifics and activities of the project, the Lead Partner should follow the requirements of the DNSH assessment when implementing the project activities.

The projects are also encouraged to contribute to the UN Sustainable development goals, Biodiversity, New European Bauhaus, and E-Cohesion Article.

### **Article 2 Award of Subsidy**

1. With this Contract the Managing Authority provides conditions for support for the project Protecting cross-border groundwater resources and dependent ecosystems from extreme climate events and pollution with real-time monitoring and digital springs.

The project was selected for approval by the Monitoring Committee on 29/05/2025 with certain conditions. The fulfilment of conditions has been subsequently checked by the Managing Authority on 11/12/2025.

2. Based on this Contract, an earmarked subsidy at the most €871,146.00 of the approved total budget of €1,088,932.50 is awarded to the Lead Partner organisation of the project from the European Regional Development Fund (hereinafter referred to as the 'ERDF') funds of the Programme.

3. The subsidy is further limited to 80.00% of the total actually incurred eligible costs of the project.

4. If the subsidy is state aid, the amounts of state aid granted to project partners according to the GBER may be increased upon request in case the procurements for the foreseen investments result in higher prices than in the approved project application or in other cases when the legal acts allow it.

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### Approved financial plan and ERDF contribution

	Co-financing rate	Maximum amount in €
Approved ERDF contribution	80.00%	€871,146.00
National Public contribution	20.00%	€217,786.50
<b>TOTAL FUNDING</b>	<b>100.00%</b>	<b>€1,088,932.50</b>

The project budget is the sum of the total amount of co-financing coming from partners in the participating Member States and the total amount awarded from the ERDF. The Lead Partner must implement the project according to the Contract and make and report on the project expenditure in the project reports.

If the documents provided by the Lead Partner do not provide reasonable certainty that the project activities and spending are in accordance with the planned schedule, the Managing Authority has the right to request additional information from the Lead Partner about the implementation of the project. If the Lead Partner fails to demonstrate the continued feasibility of the project, the right to amend or revoke the Monitoring Committee selection decision for financing is reserved.

The amount of the ERDF will be paid based on the validated total eligible expenditure only.

5. Monitoring Committee **does not grant** with its selection decision State aid to the Lead Partner and Project Partners.

6. Based on this Contract the Lead Partner ensures that Lead Partner and Project Partner(s) are aware that they may grant indirect State aid in accordance with Article 20a of the GBER, keep an audit trail (including calculations) and ensure that the total amount of indirect State aid per undertaking does not exceed €22,000.00. Lead Partner and Project Partners must inform participants of the project activities about becoming subjects to indirect State aid before the project activity takes place.

7. Disbursement of the subsidy will be made subject to the condition that the control processes by the programme authorities have been carried out adequately fulfilling the requirements set out in the respective EU and national regulations.

8. If the European Commission fails to make the funds available, the Managing Authority is entitled to terminate the Contract and any claim by the Lead Partner against the Managing Authority for whatever reason is excluded.

9. If the Lead Partner or the Project Partners fail to meet the requirements of the national co-financing, as set out in this Contract based on the approved application, the Managing Authority is either entitled to terminate this Contract or reduce the amount of subsidy proportionately to the reduced national co-funding depending on the case; and any claim by the Lead Partner against the Managing Authority 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.

### Article 3

#### Object of use, eligibility of costs and reallocation

1. The subsidy is awarded exclusively to the Lead Partner for the implementation of the project Protecting cross-border groundwater resources and dependent ecosystems from extreme climate events and pollution with real-time monitoring and digital springs.

2. The Lead Partner and Project Partner(s) 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 Lead Partner and Project Partner(s) shall mobilise all the financial, human, and material resources required for full implementation of the project, as specified in the approved application.

3. Costs, which qualify for a subsidy pursuant to Article 2.2 exclusively consist only of eligible costs as validated by the controllers, Joint Secretariat, and the Managing Authority according to the budget structure of the approved application. The eligibility of costs for ERDF and national co-financing is regulated by the compliance of the expenditure with the legal provisions of Article 1 Applicable legal framework, Article 7 Communication and Visibility and of the Programme Manual Chapter 5.

Project reports must be validated by the Joint Secretariat in compliance with the procedure listed in Chapter 7.7 of the Programme Manual. The eligibility of the costs is also determined on the basis of the proper audit trail shown by the Lead Partner and Project Partners by storing the invoices and other expense receipts: in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only; and keeping them clearly traceable in the bookkeeping for the control and audit purposes. The Lead Partner and Project Partners must retain for audit purposes all files, documents, and data about the project at least five years from 31 December of the year in which the last payment by the Managing Authority to the beneficiary is made. Direct State aid receiver must retain for audit purposes all official files, documents, and data about the project at least 10 years from the date on which the last aid was granted.

4. Costs for the project are eligible from the starting date until the end date of the project. The only exceptions to this rule are the preparation costs (see Programme Manual, Chapter 5.5), which may occur before the starting date of the project.

5. Lead Partner must report on result indicators related to cooperation, joint strategies and action plans, participations in joint actions and solutions taken up or upscaled during or after the project completion. When Lead Partner fails to meet the obligation to report on data and evidence on the fulfilment of the result indicators as specified in Chapter 3 of the Programme Manual, the Managing Authority may apply a financial correction 5% from the project's certified expenditure.

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6. During the project period, the Lead Partner is entitled to reallocate the budget in well justified cases and if it does not negatively affect the achievement of the project objectives. The reallocation has to be made as specified in Chapter 7.6 of the Programme Manual.

### Article 4

#### Reporting and request for payments

1. The Lead Partner may only request payments by providing proof of progress of the project as described in the approved application. The Lead Partner must submit project reports to the Joint Secretariat in Joint Electronic Monitoring System (hereinafter referred to as the '*Jems*') and in time. Instructions given in the reporting forms and in the Programme Manual must be observed.

2. The project reports must be submitted according to the reporting periods as stated in the Programme Manual Chapter 7.7. Later reporting with respect of the mentioned deadlines must be approved by the Joint Secretariat on an *ad hoc* basis.

3. Payments not requested in time, in full or in compliance with the procedure set in the Programme Manual may be lost, if the programme experiences a de-commitment (Programme Manual Chapter 7.14). 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 report, either by Lead Partner or by Project Partners, or failure to meet the project disbursement schedule can imply a reduction or ending of the subsidy payments (Article 2). A failure to comply with the requirements set for the proper audit trail (Article 3.3) may also lead to reduction or ending of the payments.

4. Project reports are processed by the Joint Secretariat and Managing Authority according to the internal procedures and Managing Authority transfers the subsidy to the Lead Partner within 20 working days after receiving reports with eligible costs as validated by the controllers and Joint Secretariat. The funds are disbursed in Euro (€) and transferred to an account indicated by the Lead Partner. Any exchange rate risk will be borne solely by the Lead Partner.

### Article 5

#### Representation of the Lead Partner and Project Partners, liability

1. The Lead Partner solely bears the overall financial and legal responsibility for the project and for the Project Partners in accordance with Article 26 of the Interreg Regulation.

2. The Lead Partner guarantees that it is entitled to represent the Project Partners participating in the project in all dealings with the Managing Authority in the context of the project implementation, bearing the sole responsibility of delivering as well as receiving all the information relevant for the project management between Lead Partner and Project Partners

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and that it will establish with the Project Partners the division of the mutual responsibilities in the form of partnership agreement.

3. The Lead Partner guarantees that a copy of the partnership agreement is provided via Jems to the Managing Authority in English before the Contract is signed by using the template provided by the Programme. The partnership agreement contains binding information at least on responsibilities of the following items:

- 3.1. role and obligations of the individual partners in the partnership in project implementation;
- 3.2. budgetary and financial management, accounting principles;
- 3.3. receipt of ERDF payments;
- 3.4. liability in case of non-fulfilment of obligations or delay;
- 3.5. communication and visibility requirements;
- 3.6. resolutions of disputes between partners in the partnership;
- 3.7. the ownership rights of the results between partners.

The above list is not exhaustive, and the Lead Partner and the Project Partners may add further items according to the project specific needs.

The Managing Authority and Joint Secretariat are not a party in the partnership agreement or in the disputes that may arise between the contracting parties or towards third parties.

4. The Lead Partner guarantees that all mandatory permits required by EU or national legislation needed for the implementation of the project have been delivered as stipulated in the Programme Manual.

5. The Lead Partner guarantees that the Lead Partner and Project Partners comply with all requirements under the legal framework which apply to them in their respective countries and that all necessary approvals have been obtained.

The Lead Partner is liable towards the Managing Authority for:

- ensuring that all its Project Partners have a legal status which is in line with the definition in the 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 project reports has been validated according to the procedures set in the Programme Manual;
- ensuring that the Project Partners fulfil their obligations under this Contract and as stipulated in the Partnership Agreement and with respect of the requirements set by the legal references mentioned in Article 1 Applicable Legal framework.

6. If the Managing Authority based on the received information demands repayment of subsidy funds in accordance with this Contract, the Lead Partner is liable to the Managing Authority for the total amount of the subsidy.



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7. The Managing Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Lead Partner or the Project Partners during the project implementation. The Managing Authority therefore cannot accept any claim for compensation or increases in payment in connection with such damage or injury.

8. The Lead Partner and Project Partners 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 Lead Partner and Project Partners shall discharge the Managing Authority of all liability associated with any claim or action brought as a result of a non-compliance of rules or regulations by the Lead Partner or Project Partners as result of violation of a third party's rights.

### **Article 6 Additional obligations**

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

1. to open a separate bank account or a separate cost centre in the accounting system for the project and to ensure that any received subsidy can be clearly identified and repaid if necessary due to irregularities;
2. to inform the Managing Authority and Joint Secretariat immediately, if project costs are reduced, if the project objectives, achievement of target values of the output and result indicators, the action plan or the budget plan on which this Contract is based, change, or one of the disbursement conditions ceases to be fulfilled, or any circumstances arise which entitle the Managing Authority to reduce payment or to demand repayment of the subsidy wholly or in part;
3. to provide the Programme authorities with any information requested without any delay;
4. to provide necessary data in Jems in compliance with this Contract according to the Managing Authority or Joint Secretariat instructions;
5. to inform the Managing Authority or Joint Secretariat without any delay about any envisaged changes of the partnership agreement. In case of necessity a new partnership agreement or amendment to the partnership agreement has to be signed between the Lead Partner and Project Partners;
6. to notify the Joint Secretariat by sending a signed letter in case of changes in the official name of the Lead Partner;
7. to take all necessary precautions to avoid conflict of interests (including Project Partner) and shall inform the Managing Authority or Joint Secretariat without any delay about 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

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compromised for reasons involving family, emotional life, political or national affinity, and economic interest of any other shared interest with another person;

8. to regularly check from Jems and Programme web site [www.estlat.eu](http://www.estlat.eu) for the last updated versions of the Programme-related documents in order to guarantee compliance with the latest updates. The Joint Secretariat shall publish the updates about the Programme Manual, reporting forms and changes to other Programme-related documents on Programme web site [www.estlat.eu](http://www.estlat.eu);

9. to inform the Joint Secretariat at first opportunity about any delays and obstacles that occur during the implementation of project activities and reporting;

10. to provide the independent assessors carrying out the evaluations of the programme with any documents or information necessary to assist the evaluation.

### **Article 7**

#### **Communication and Visibility**

1. In communication and visibility actions, the Programme's Visibility Guidelines and Programme Manual Chapters 4.4 and 7.2 must be followed.

2. Any notice or 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 Visibility Guidelines; as well as in compliance with the requirements set by the regulatory framework in Article 1.

3. In any public material used to promote or disseminate the project activities whether printed or electronically available, on objects and information carriers, the use of the Programme logo is mandatory, as set out in the Programme Manual and Visibility Guidelines.

4. Each Project Partner shall acknowledge support from the Programme by:

- 4.1. providing on the partner's official website or social media sites, where such sites exist, a short description of the project, proportionate to the level of support provided by the Programme, including its aims and results, and highlighting the financial support from the Programme;
- 4.2. for projects the total cost of which exceeds €100,000.00, displaying durable plaques or billboards clearly visible to the public, and presenting the emblem of the Union in accordance with the technical characteristics laid down in the Visibility Guidelines of the Programme, as soon as the physical implementation of a project involving physical investment or the purchase of equipment starts or purchased equipment is installed;
- 4.3. for projects the total cost of which does not exceed €100,000.00, publicly displaying at least one poster of a minimum size A3 or equivalent electronic display with information

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about the project highlighting the support from the Programme, except where the beneficiary is a natural person.

5. The Managing Authority, European Commission and the Joint Secretariat shall be authorized to publish, in whatever form and on or by whatever medium, including the Internet, the following information:

- the name of the Lead Partner 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;
- information on earlier publicity of the project;
- other information, if it is in accordance with the Public Information Act. In this case, Lead Partner will be notified that such information has been published.

6. Lead Partner is obliged to inform the Managing Authority and Joint Secretariat on possible sensitive or confidential (e.g. business or personnel related) issues that cannot be published in programme newsletters and web page, with a justification as to why it is sensitive/confidential information.

### **Article 8**

#### **Durability and ownership of results**

1. In accordance with Article 65 of the Common Provisions Regulation and with Chapter 5.6.6 of the Programme Manual the ownership of the outputs having the character of investments in infrastructure and productive investments produced during the project implementation shall remain with the Lead Partner or Project Partners for at least five years from the final payment to the Lead Partner or within the period set out in State Aid rules, where applicable. In case of SMEs the time-limit is three years.

2. Project partners are obliged to repay the ERDF contribution if within five years of the final payment to the project partner, within ten years in case of State aid, or within three years in cases concerning the maintenance of investments or jobs created by SMEs, the respective partner is subject to any of the following:

- cease or transfer a productive activity outside the NUTS level 2 region in which it received support;
- a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

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The Lead Partner is obliged to notify the Managing Authority of any such changes described beforehand. Amounts unduly paid to the project shall be recovered by the Managing Authority in proportion to the period for which the requirements have not been fulfilled.

3. The Lead Partner ensures that the arrangements in ownerships, titles and industrial and intellectual property rights on the outputs of the projects are in accordance with the durability requirements of the Chapter 5.6.6 of the Programme Manual.

4. Where relevant, the Lead Partner and Project Partners ensure that results and outputs of the project are available and accessible to the public free of charge.

### **Article 9 Right of termination**

1. In addition to the right of termination laid down in Article 2, the Managing Authority is entitled depending on the case, totally or partially to terminate this Contract by registered letter and to demand total or partial repayment of funds, if

- 1.1. the Lead Partner has obtained the subsidy through false or incomplete statements;
- 1.2. the permits required for the implementation of the project turn out to be incomplete, false, or are missing altogether;
- 1.3. the project has not been or cannot be implemented, or it has not been or cannot be implemented in due time;
- 1.4. a change has occurred in the project that has put at risk the achievement of the results planned in the approved application;
- 1.5. the project outputs and results are severely out of line with those promised in the approved application;
- 1.6. the Lead Partner has failed to submit required reports or proofs, or to supply necessary information, provided that the Lead Partner 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;
- 1.7. the Lead Partner has failed to immediately report on events delaying or preventing the implementation of the project funded, or any circumstances leading to its modification;
- 1.8. the Lead Partner has impeded or obstructed controls and audits;
- 1.9. the subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon;
- 1.10. insolvency proceedings are instituted against the assets of the Lead Partner 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 Lead Partner is terminated;
- 1.11. the Lead Partner wholly or partly sells, leases, or lets the project to a third party, except under the conditions set out in Article 13;
- 1.12. it has become impossible to verify that the final report is correct and thus the eligibility of the project activities is questionable;

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- 1.13. the Lead Partner has failed to fulfil any other conditions or requirements for assistance stipulated in this Contract and the provisions it is based on, notably if these conditions or requirements are meant to guarantee the successful implementation of the programme objectives or fulfilment of target values of the output and result indicators of the programme.
2. If the Managing Authority exercises its right of termination, the Lead Partner is obliged to transfer the repayment amount to the Managing Authority within 60 calendar days as of the date of enforcement of the Financial correction decision unless otherwise specified in the Financial correction decision. The due date for the repayment is explicitly stated in the Financial correction decision annexed to the registered letter terminating the Contract.
3. If the Managing Authority exercises its right of termination, offsetting by the Lead Partner is excluded unless its claim is undisputed or recognized by declaratory judgment.
4. Any further legal claims shall remain unaffected by the above provisions.

### **Article 10 Storing of project documents**

1. The Lead Partner is at all times obliged to retain for audit purposes all official files, documents, and data about the project on customary data storage media in a safe and orderly manner as specified in Article 3.3 of this Contract.
2. Location, conditions and storing must comply with the requirements set by Programme Manual Chapter 7.10.

### **Article 11 Controls and audits**

1. All the costs in each project report submitted by the Lead Partner to the Joint Secretariat must be validated by the controllers according to the procedure described in the Programme Manual and in compliance with the requirements set by the legal framework in Article 1.
2. The Audit Authority of the 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 authorised by the Audit Authority are entitled to audit the proper use of funds by the Lead Partner or by the Project Partners or arrange for such an audit to be carried out by authorised persons.
3. The Lead Partner as well as Project Partners will ensure access to all documents required for the above controls and audit, as well as to the financial control, Joint Secretariat and Managing

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Authority. All partners provide necessary information, documents and give access to their business premises and locations where project activities take place for carrying out on the spot visits.

4. The Managing Authority has a right to withhold the payments to the Lead Partner until all the required information and documentation have been delivered or made available otherwise.

5. The Managing Authority has a right to conduct sample checks in addition to the controllers.

6. The Managing Authority, assisted by the Joint Secretariat, can request at any moment additional information and supporting documents from the Lead Partner and Project Partner to perform its accounting functions.

7. In case the Audit Authority issues statements on the national control systems defining problems of systemic character, the Managing Authority has a right to withhold the payments to the Lead Partner until this case has been solved.

## **Article 12**

### **Financial correction decision and recovery of ineligible expenditure**

1. If any expenditure is considered ineligible by the Managing Authority according to regulatory framework mentioned in Article 1, a financial correction procedure, based on “Procedure for making financial correction decisions” annexed to the Programme Manual, will be started.

2. Managing Authority shall send a Financial correction decision to the Lead Partner organisation by the document handling system of the State Shared Service Centre. In case it is impossible to deliver the Financial correction decision by the document handling system or the project is over, the decision shall be sent electronically by e-mail or by registered mail with advice of delivery and shall be entered into the Jems within ten working days as of the date of making the decision.

3. The Financial correction decision provides the arguments on which the Financial correction decision is based.

4. The Financial correction decision shall be deemed to be serviced on the Lead Partner, if it has been sent to the Lead Partner in a manner specified in Article 12.2.

5. In the Financial correction decision, the Managing Authority shall reclaim back ineligible ERDF support based on the Contract. The Lead Partner is obliged to conduct the repayment within 60 calendar days as of the date of enforcement of the Financial correction decision unless otherwise specified in the Financial correction decision. The due date for the repayment is explicitly stated in the Financial correction decision.



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6. The Financial correction decision decreases the project budget in the Application Form, but financial consequences resulting from Financial correction decisions do not entail changes to this Subsidy Contract.

7. In case mutual consent on the repayment issue cannot be found by the parties concerned, the procedure for the judicial phase will take place in the competent jurisdiction of the first instance in Estonia.

### **Article 13**

#### **Assignment, legal succession**

1. The Managing Authority is entitled at any time to transfer its rights and duties under this Contract. In case of assignment the Managing Authority will inform the Lead Partner without delay.

2. The Lead Partner is allowed to transfer its duties and rights under this Contract only after prior written consent of the Managing Authority and the Monitoring Committee.

3. In cases of legal succession, e.g., where the Lead Partner or a Project Partner changes its legal form, the Lead Partner or Project Partner is obliged to transfer all duties under this Contract to the legal successor. The Lead Partner shall notify the Managing Authority about any change beforehand.

### **Article 14**

#### **Concluding provisions**

1. This Contract shall take effect on the date of the last signature covering the approved duration time of the project. The Contract shall expire only after the last project report together with the Final Report has been approved by the Managing Authority, the final payment has been paid out by the Managing Authority; and the data about result indicators related to cooperation after project completion and related evidence has been submitted to the Joint Secretariat one year after the last payment to the project. The specific requirements set by Article 1 Applicable legal framework concerning e.g. storing, ownership rights, audit and visibility measures are valid for the Lead Partner and Project Partners beyond the expiration date of the Contract.

2. The request for project prolongation must be submitted to the Joint Secretariat the latest one month before the end date of the project via Jems.

3. All formal correspondence with the Managing Authority under this Contract must be in writing and in English.

4. All correspondence with the Managing Authority must be sent either via Jems or e-mail.

If necessary, in writing to the following address:

State Shared Service Centre  
 Head of Managing Authority, Anu-Maaja Pallok  
 Lõkke 4  
 10122 Tallinn  
 Estonia

5. All Programme-related relevant information for the Lead Partner and Project Partners is available in Jems and Programme web site [www.estlat.eu](http://www.estlat.eu) in English.

6. 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 is 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.

7. Amendments and supplements to this Contract and any waiver of the requirement of the written form must be in written form.

8. A person, who finds that his or her rights are violated or his or her freedoms are restricted by an administrative act or during administrative proceedings, may file a complaint in accordance with chapter 7.16 of the Programme Manual.

9. Without prejudice to the applicable European law, this Contract is governed by the laws of the Republic of Estonia. The place of jurisdiction is Tallinn, Estonia.

10. No party shall be held liable for not complying with obligations deriving from the Contract, should the non-compliance be caused by *force majeure*. The parties are obliged to notify the other party as soon as possible if the performance of the contract is affected by *force majeure*.

## Signatures:

Signed digitally  
 Anu-Maaja Pallok  
 Head of the Managing Authority

Signed digitally  
 Sirli Sipp Kulli  
 Director

Annex 1: Final version of the Application Form validated in the Jems, including annexes.