## Annex to OP RDE aid application

# Partnership principles and declaration of partnership

The partnership is a contractual relationship between an applicant for financial support and another entity or entities, as appropriate, which builds on their mutual interest and joint responsibility for the preparation and implementation of projects funded from ESIF and the national budget of the Czech Republic.

Expenditure of the partner entities incurred in the implementation of an supported project form part of the project budget and shall be eligible under the same terms and conditions as those stipulated for the eligibility of the applicant’s expenditure in the Rules for applicants and beneficiaries – general / specific part*.*

The applicant must ensure that the relations between the applicant and the partners are in compliance with all the conditions and principles of partnership as defined in the Rules for Applicants and Beneficiaries – General / Specific Part.

The partnership relation in the project implementation may not substitute supplier relations. The partnership may not be designed to circumvent Act No. 134/2016 Coll., on Public Procurement, as amended, or the instructions of the Managing Authority concerning tenders under OP RDE.

The partner(s) must be involved in the implementation of the Project through effective collaboration and must respect the State aid rules in order to avoid the transfer of indirect State aid to the partner(s).

The content of the Partnership Agreement (the “Agreement”) is primarily the commitment of the parties to cooperate during the project and in the follow-up period so that all obligations towards the provider can be fulfilled. If the Agreement also applies to the previous period, it also concerns the obligation of the parties to carry out activities when submitting the project proposal. The partnership principles define the key areas governing the partnership relationship which should be contracted.

A. Cooperation in the preparatory phase:

1. All partners have read the application for support and are aware of their role in the project.
2. Prior to issuing a legal act on the granting/transferring support, the applicant shall submit a certified copy of agreements with each partner to the support provider.
3. The applicant shall consult its partners on a regular basis and keep them fully informed about the progress in the project preparation. The partner(s) and the applicant shall jointly participate in the project preparation. The partners provide the applicant with all the required documents and background material for the preparation of the project proposal well in advance so that the project proposal can be submitted by the required deadline.

B. Principles of a proper partnership:

1. General declaration on the definition of roles in terms of liability to the provider – the beneficiary is liable to the provider for the whole project. It is therefore appropriate to include this provision at the beginning of the Agreement so that the parties are aware of it. The partners are required to provide all necessary assistance to enable the beneficiary to fulfill all obligations towards the provider. The beneficiary and partners of the project determine the way the project is managed, the way decisions are made, the responsibilities and the powers concerning the management of the project.
2. Information obligations during the project and in the follow-up period
   1. The parties should provide each other with information not only about how the project is being implemented, but also whether there are any problems, whether there is the risk of non-compliance with certain binding obligations and whether changes to the project need to be made, etc., or about substantial steps of the parties (e.g. purchases exceeding a certain amount).
   2. Every partner shall receive a copy of all implementation reports which have been drawn up by the beneficiary for the support provider.
   3. Any proposed significant changes to the project must be approved by the partner/parties before being submitted by the beneficiary to the support provider. If the proposed significant changes to the project are not approved by the partner or by any of the partners, the beneficiary is obliged to indicate that in its request for a significant project change, which is to be submitted to the support provider.
3. The qualification of the parties and related changes:
   1. Each entity demonstrates eligibility itself and at its own responsibility. Therefore, the main beneficiary should stipulate this in the Agreement, including a possible change in eligibility during project implementation and the subsequent impacts on the project.
   2. Changes to the project parties – if one of the parties withdraws from the project during its implementation, the current work on the project (especially the results achieved), financial issues and intellectual property rights should also be settled.
4. Support and financial relations between the beneficiary and project partners:
   1. General provision on the fulfilment of the obligations laid down in the rules for the granting of support – all parties must be obliged to act in accordance with EU rules, national rules and rules set by the provider, as set out in the Decision.
   2. The obligation to transfer the relevant part of the aid to the partners – the beneficiary should pay particular attention to this part, as its breach constitutes a breach of budgetary discipline (unauthorized retention of aid).
   3. Partner’s obligation to repay support and other payments – this is an analogy to the previous principle, but this time by repaying especially unspent support and other payments, which are returned to the beneficiary which is to transfer it to the provider.
   4. Provision on control by principal beneficiary – based on the above assumption that the principal beneficiary is also responsible for the activities of other parties. The principal beneficiary should act as the controlling entity (analogously to the provider vis-á-vis the beneficiary).
5. Property relations and relations to the results:
   1. Any equipment which was paid from the granted support and is used by the partner of the beneficiary must be entered in the inventory and shall be subject to the same rules as equipment used by the beneficiary.
   2. The distribution of results and ownership rights must be such as to avoid violating State aid rules; in particular, no one may be granted more than his share of participation in the project (i.e., the percentage should be equivalent at least to the costs and activities to achieve the result). Especially research organizations must respect that they cannot transfer its share of the result to an enterprise gratuitously or below the market price.
   3. The protection and use of results must be set in accordance with the following principles:

* Creating a plan to protect the results that will be created within the project.
* Provisions regarding the sharing of profits and losses and, where applicable, other costs – the division of the co-ownership shares is also associated with the potential profits and losses and, where applicable, other costs. Here too, the provision must be worded in such a way as to avoid violating the State aid rules.
* It is necessary to keep in mind that the transfer of these results in the future will be subject to certain rules, such as transfer at market price or for the highest consideration (see State aid rules), and the preferential access of some parties to the results (see Section 16 of the Support for Research and Development Act). At the same time, the Framework states that the absolute amount of the value of any contribution, both financial and non-financial, of the participating undertakings to the costs of the research organisations or research infrastructures’ activities that resulted in the IPR concerned, may be deducted from that compensation..
  1. The parties should divide the cost of project implementation, as this is a significant factor determining both the amount of support as well as the ownership shares and shares of losses and profits (this division could be part of the work plan or otherwise described in the division of activities). The Agreement should contain provisions explicitly stipulating that each party only pays the costs incurred by that party.
  2. In the context of cooperation, it is necessary to clearly define the rules concerning the assets contributed – these involve access rights e.g. to research infrastructure used for the project, in relation to the project results, in relation to the know-how with which the partners enter the project, etc. For all joint projects, it is essential for the parties to contribute their original knowledge at their disposal, which is necessary to ensure the proper completion of the project. (These provisions are rather recommended for the removal of some of the doubts in future cooperation, but their wording is already based on the civil law principles of ownership, and also on the nature of the project implementation and the division of work and individual partial aids as well as the joint efforts to achieve results).
  3. The rules regarding assets purchased or created during the project – if assets are purchased or created during the project, the ownership rights for these assets must also be addressed. Here too, the basic issues are based on general civil law regulations and on the nature of the project, but it is desirable to avoid potential future disputes by addressing this issue.
  4. Access rights to project results and to rights contributed or created – the plan is to underline the importance of project cooperation and to ensure that all parties have access to the results that are necessary to move the project forward, i.e. the results generated during implementation (“partial results”). The aim is also to ensure that access to results that each participant needs to implement their own contribution to the project is gratuitous, regardless of which partner has achieved the results.
  5. Once the project has been completed, the parties must have access to project results and the original knowledge in accordance with the agreed terms and conditions whenever necessary for them to use their own project results. This principle is of the utmost importance to ensure that the results are used for the benefit of society. If one of the parties is dependent on the results of the other party’s project results or original knowledge, in order to use its own project results in practice it must have access to the results. However, it is appropriate to agree that the other party is compensated for the results and original knowledge that will be used in this way. Such an approach must be provided in accordance with the agreed conditions. The parties cannot specify unreasonable conditions to ensure such access.

1. The parties will have mutually stipulated liability for damage incurred during the project.
2. The Parties are involved in the implementation of the Project in order to exchange knowledge or technologies or to achieve a common objective based on the division of labour, they contribute to the implementation of the Project and share its risks and results.
3. In order for the Agreement to be functional, it must contain sanctions having both preventive and subsequently also repressive nature. If the beneficiary fails to properly stipulate these issues, the beneficiary may get into serious trouble in the future by being unable to collect from other parties the payments which the beneficiary had to pay to the provider.

# Declaration of partnership

Organization/entity …………………………………………………………………………………………………………………………….,

having its registered office at ..…………………………………………………………………………………………………………...,

represented by the statutory representative / authorized person ………………………………………………………,

hereby confirms to

* have been fully informed about, and to agree with, the project requesting aid under OP RDE ……………………………………….. *(full project title)*, the applicant of which is ……………………………………………… *(full name of the applicant incl. ID No.)*;
* undertakes to follow the principles of a proper partnership;
* undertakes to comply with all the conditions of partnership as defined in the Rules for applicants and beneficiaries – general / specific part.

The partner’s financial share in the total eligible project expenditure in CZK (to be completed by the applicants having a partner with a financial contribution):

Total eligible expenditure – applicant: CZK ……………

Total eligible expenditure – partner: CZK ……………

In …………………………………. on …………………………………….

………………………………………………………………………………… …………………………………

First name and last name of the statutory body / authorized person[[1]](#footnote-1) Signature

1. Power of attorney to be submitted by the partner – in the form of the aid application in IS KP14+ under the Powers of attorney tab. [↑](#footnote-ref-1)