



**European Regional  
Development Fund**  
Investing in your future

**European Territorial Cooperation  
2007-2013**

# **Background information - 12 the Lead Partner principle**

 <i>Special EU Programmes Body Foras Um Chláir Speisialta An AE Boord O Owre Ocht UE Projecks</i>	
 <b>PEACE III</b>	<i>Part-financed by the European Regional Development Fund Investing in your future</i>

 <i>Special EU Programmes Body Foras Um Chláir Speisialta An AE Boord O Owre Ocht UE Projecks</i>	
 <b>INTERREG IVA</b>	<i>Part-financed by the European Regional Development Fund Investing in your future</i>

# **Background information - 12 the Lead Partner principle**

## **1. Introduction**

- 1.1 Every application to the new Programmes, 2007 - 2013 (PEACE III Programme and INTERREG IVA Programme) is required to nominate a Lead Partner. The Lead Partner will take overall responsibility for managing an Operation.

## **2. Terminology**

- 2.1 The EU Regulations may refer to 'Lead Beneficiary' when meaning 'Lead Partner'. For the purposes of clarity this document will use the term 'Lead Partner' throughout.
- 2.2 The EU Regulations may refer to 'beneficiary' when meaning 'partner'. For the purposes of clarity this document will use the term 'partner' throughout.

## **3. Why is a Lead Partner needed?**

- 3.1 For the 2007 – 2013 programming period Council Regulation (EC) 1080/2006 established the compulsory implementation of the Lead Partner principle in all Territorial Cooperation programmes.

## **4. What is the role of the Lead Partner?**

- 4.1 The Lead Partner will form the link between the Operation and the Programme. At the Operation level the Lead Partner is responsible overall, both administratively and financially.

## **5. What is an Operation?**

- 5.1 According to Article 2 of the Council Regulation (EC) 1083/2006, an Operation is *“a project or group of projects....implemented by one or more partners allowing achievement of the goals of the priority axis to which it relates.”*

- 5.2 Therefore, under the Lead Partner principle, activities of an Operation are typically carried out by a number of partners, one of whom must act as the Lead Partner.

## **6. Who can fulfil the role of a Lead Partner?**

- 6.1. From a corporate governance perspective, the Lead Partner in the application should be a public sector body or equivalent. Public sector body equivalent means any legal body governed by public or private law that is:
- i) established for the specific purpose of meeting needs of general interest, not having an industrial or commercial character <sup>1</sup>
  - ii) having legal personality, and
  - iii) either financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the state, regional or local authorities or by other bodies governed by public law.

## **7. Responsibilities of the Lead Partner**

- 7.1 In accordance with Regulation (EC) 1080/2006 Article 20, for each Operation a Lead Partner shall be appointed by the partners among themselves.
- 7.2 The responsibilities of the Lead Partner can be defined as follows:
- (a) it shall lay down the arrangements for its relations with the partners participating in the Operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the Operation, including the arrangements for recovering amounts unduly paid;
  - (b) it shall be responsible for ensuring the implementation of the entire Operation;
  - (c) it shall ensure that the expenditure (100%) presented by the partners participating in the Operation has been incurred for the purpose of implementing the Operation and corresponds to the activities agreed between those partners;

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<sup>1</sup> This definition does not exclude bodies partly having an industrial and commercial character, which deal with public tasks, such bodies may be asked to submit a clarification statement issued by regional/local authorities

- (d) it shall verify that the expenditure presented by the partners participating in the Operation has been validated by the controller;
- (e) it shall be responsible for transferring the European Regional Development Fund contribution [*and the Member State contribution*] to the partners participating in the Operation.

7.3 Hence, the Lead Partner is responsible for the division of tasks and co-ordination of activities among the partners. It is the responsibility of the Lead Partner to deliver on the overall objectives of the Operation including budget spend, verification, publicity, actions and activities, outcomes, and delivering within the programme timeframe. In other words, the Lead Partner ensures the implementation of the whole Operation within the given timeframe and the budget.

## **8. Partnership principle**

- 8.1 An Operation requires a meaningful partnership which should involve real commitment from each of the partners. It is important that the partnership involves the right players so that the Operation is effectively implemented and meets set targets.
- 8.2 Operations funded under INTERREG IVA must include partners from Northern Ireland and the border region of Ireland. All Operations that involve a partner organisation from Scotland, must involve at least one partner from Northern Ireland and at least one partner from Ireland.
- 8.3 A significant part of the PEACE III programme is focussed on developing relationships at a local, regional and institutional level. In recognition of this, all applicants to the PEACE III Programme should demonstrate how they meet the theme of partnership, which is inherent in the Programme. Applicants to this programme are therefore encouraged to form partnerships to ensure an effective and comprehensive approach to addressing the complex reconciliation issues that exist in society.

## **9. Partnership Agreement**

- 9.1 When a partnership is formed, an official document or “Partnership Agreement” needs to be drafted and submitted to SEUPB clearly stating: the partners, the extent of their responsibilities, and the match funding they bring (if relevant).
- 9.2 A partnership agreement, signed by the authorised representatives of the participating organisations must be in

place and sent to SEUPB before any European Regional Development Fund payment can be made.

- 9.3 There are a number of key benefits in entering into a partnership agreement. By clearly defining responsibilities and procedures, partnership agreements will make it easier to implement the Operation. In addition, the development of a partnership agreement will provide a framework for efficient implementation and governance of the Operation.
- 9.4 This partnership agreement must be tailored to the specific Operation and describe the way it is going to be managed. Whilst different partnerships require different types of partnership arrangements, it is important to note that all such documents should recognise the responsibilities and functions of the different parties within the Operation.
- 9.5 The following key-elements should be covered in such an agreement as well as any other issues that concern the partnership.
- Subject of the partnership agreement
  - Duration of the partnership agreement
  - Role of the Lead Partner
  - Role of the other partners
  - Work plan and specific activities
  - Organisational structure of the partnership
  - Cooperation with third parties
  - Project budget and eligible expenditure
  - Monitoring, evaluation and reporting
  - Financial control and audits
  - Communication and publicity
  - Dissemination of project outcomes
  - Confidentiality requirements
  - Modifications, withdrawals and disputes
  - Non execution of obligations and reimbursements
  - Relevant annexes

## **References**

Council Regulation (EC) 1080/2006: Article 17 and 20  
Commission Regulation (EC) 1828/2006, Article 15  
Council Regulation (EC) 1083/2006: Article 2

## **Glossary of Terms**

### **Joint Technical Secretariat (JTS)**

The JTS is responsible for the day to day management of the programme. In the case of the 2007 – 2013 Programmes, the SEUPB will assume the responsibilities of the JTS.

### **Lead Partner**

The Lead Partner has full financial responsibility for the entire Operation, including all partners, and is responsible for the proper reporting of progress to the Joint Technical Secretariat within SEUPB. The Lead Partner is the administrative link between the Programme and the Operation.

The Lead Partner is responsible for sound project management, the delivery of outputs and ensures that the required controls and audit activities are in place.

### **Partners**

Partners are those organisations that, with the Lead Partner, sign a partnership agreement and are involved with the implementation of an Operation.

### **Operation**

An Operation is a large project in its own right or group of projects which is implemented by the partners and which leads to the achievement of the goals of the priority axis to which it relates.

### **Project**

A project is a component of an Operation. An Operation can be broken down into a number of projects. At a project level, the principle of partnership still applies, although a formal partnership agreement to SEUPB is not mandatory.

### **Priority Axis**

One of the priorities of the strategy in the Operational Programme.