



**GOVERNMENT OFFICE FOR LOCAL SELF- GOVERNMENT AND REGIONAL POLICY, Dunajska cesta 58, 1000 Ljubljana, Slovenia; tax number SI88981592, registration number 2067064, which is represented by [name and function of legal representative]**

- acting as Managing Authority of the IPA Operational Programme Slovenia-Croatia 2007-2013 (hereinafter referred to as "MA")

and

**[Lead partner institution, address, postal code, town, country, tax number registration, bank account], represented by [name and function of LP legal representative]**

- acting as the Lead Partner (lead beneficiary), appointed by the project partners in the sense of Article 96 (1) of the Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No. 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA), and its amendments in Commission Regulation (EC) No 80/2010 of 28 January 2010 and in Commission Regulation (EC) No 1292/2011 of 9 December 2011 (hereinafter referred to as "LP")

hereby conclude the following

**Subsidy Contract No. \_\_\_\_\_**  
 for the implementation of the following operation **[full name of the operation]**

**Project registration**

<b>Operation Title</b>	
Acronym	
Priority	
SPIS Number	
ISNARD Number	

### Contract managers

	MA (JTS)	LP
Name of the contact point		
Function		
Institution		
Address		
Postal Code		
Town		
Country		
Phone (office)		
e-mail address		

### Article 1 Legal basis

1. This contract is concluded on the basis of:
  - Council Regulation (EC) No 1085/2006 of 17 July 2006 and its amendments, establishing an Instrument for Pre-Accession Assistance;
  - Commission Regulation (EC) No 718/2007 of 12 June 2007, implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA) and its amendments in Commission Regulation (EC) **No 80/2010** of 28 January 2010 and Commission Regulation (EC) **No 1292/2011** of 9 December 2011;
  - Instrument for Pre-Accession Assistance (hereinafter referred to as "IPA") IPA Operational Programme Slovenia-Croatia 2007-2013, as in the last version approved (hereinafter referred to as OP);
  - Financing Agreement between the Government of Republic of Croatia and the Commission of the European Communities, signed on x.y. 20XX;;
  - Decree on the implementation of procedures for the use of funds of the European territorial co-operation and Instrument for pre-accession assistance in the Republic of Slovenia in the programming period 2007-2013 (OG RS No 45/2010);
  - 3<sup>rd</sup> Call for Proposals in the frame of IPA Operational Programme Slovenia-Croatia 2007-2013, Reference No 4300-303/2011 (Official Gazette of the RS No 8/2012);
  - Approved (last) version of the application, including all approved changes;
  - Practical Implementation Manual (PIM) of the Programme;
  - Minutes of the session of the Joint Monitoring Committee as of x.y. 20XX;
  - Decision on the approval of the application with conditions, SPIS No. x, as of x.y.20XX;
  - Decision on the approval of the application with the amount of IPA grant, SPIS No., as of x.y.20XX;
2. Practical information on the programme and its legal basis is available on [www.si-hr.eu](http://www.si-hr.eu).

### Article 2 Object

1. In accordance with JMC decision, the Lead partner undertakes under its technical and financial responsibility to implement the above-mentioned operation.
2. The subsidy is awarded exclusively to the operation as it is described in this contract and its annexes that form an integral part of the contract.

### **Article 3**

#### **Project duration**

1. The start of the operation is [date]. The end of the operation is [date]. This defines the period of eligibility of expenditure for the project. By the end date all invoices or accounting documents of equivalent probative value have to be paid by the LP and its project partners.
2. The MA/JTS (hereinafter referred to as "JTS") is entitled, in whole or in part, to terminate this contract, if the operation does not start before the date of submission of the first progress report as stated in the Annex 3.
3. Activities and related costs for the operation are eligible if they are carried out and paid in the respect to the final deadline as stated in the Annex 3.

### **Article 4**

#### **Eligible expenditures**

1. Expenditures, which qualify for a subsidy exclusively consist of eligible expenditures as stated in the Annex 2 and regulated in European Regulations, national regulations and eligibility rules laid down in the latest version of the Practical Implementation Manual, approved by the JMC of the Programme, available on the programme web site.
2. For Croatian beneficiaries the project expenditure are eligible under the condition they incurred after the Financing Agreement between the Commission and the Republic of Croatia for the 2012-2013 period is signed.

### **Article 5**

#### **Award of subsidy**

1. The operation is part financed by the European Union, Instrument for Pre-Accession Assistance. The operation is carried out within the IPA Operational Programme Slovenia-Croatia I2007-2013.
2. Based on the decision taken by the Joint Monitoring Committee of the IPA Operational Programme Slovenia-Croatia 2007-2013, the **maximum provisional amount** of ..... EUR is awarded to the LP and his/her project partners for the operation from the Instrument for Pre-Accession Assistance. The subsidy awarded is the maximum subsidy approved to the LP and its partners as a fixed percentage of the planned amount of eligible expenditures as defined in Annex 2, point B.
3. This subsidy amount is a maximum that will be allocated pro-rata to the actual eligible expenditures submitted and approved by MA/Joint Technical Secretariat (hereinafter referred to as "JTS") considering that no operation shall benefit from a higher co-financing rate than the one relating to the priority axis concerned and that an operation shall not receive assistance to a value higher than the total allocated public expenditure.
4. LP shall ensure the receipt of all national public co-financing for this operation in the respect to the financial plan stated in the annexes.

**Article 6  
Payments**

1. At least twice a year, the LP shall request payments by providing progress reports, consisting of an activity report and a financial report, to the MA/JTS. The MA/JTS can request or agree on additional Progress reports with a strict deadline in case of risks of de-commitment at programme level or in other justified cases. The MA/JTS will provide on the programme web site reporting forms which must be used by the LP.
2. The LP shall, in compliance with Article 96(1) of Regulation No. 718/2007, as amended by the Commission Regulation (EC) No 80/2010 and Commission Regulation (EC) No 1292/2011 of 9 December 2011 for each operation:
  - a. be responsible for ensuring the implementation of the entire operation in the respect to the calendar of expenditures;
  - b. be responsible for transferring the IPA contribution to the partners participating in the operation as soon as possible and in the respect to the Partnership Agreement after receiving the payment from the Certifying Authority.
3. These reports shall be submitted in the respect to calendar of reporting – Annex 3, taking into account the final date of eligibility. Payments not requested in time and in full may be lost due to the “n+3” rule.
4. The final report is to be submitted within 5 months after the completion of the project as condition for the final reimbursement.
5. Lead Partner Application for Reimbursement shall be submitted to the JTS in the respect to calendar – Annex 3 in both electronic and paper form. The paper version is duly signed and stamped by the LP (if the stamp exists).
6. The funds will be disbursed in Euro (EUR; €) only and transferred to the bellow stated account of the LP. Any exchange rate risk will be borne by the LP.

Name of the Bank	
Address of the Bank	
SWIFT	
IBAN	

7. Disbursement of the subsidy is subject to the condition that the European Commission makes the funds available to the extent described in Annex 2, point B. If the European Commission fails to make the funds available, the MA is entitled to terminate this contract and any claim by the LP against the MA for whatever reason is excluded.
8. The/JTS may request additional information regarding reports at any time. That information must be supplied by the LP within the stipulated time frame.

**Article 7  
Audit and control**

1. At partner level, in accordance with Article 108 of Regulation (EC) No 718/2007, as amended by the Commission Regulation (EC) No 80/2010 and Commission Regulation (EC) No 1292/2011 of 9

December 2011, national controllers are designated by each participating State to verify the legality and regularity of the expenditure declared by each project partner participating. The controls shall include on-the spot checks.

2. The LP is responsible for the whole operation and shall satisfy himself that the verification of all expenditure on the level of operation has been done.

### **Article 8** **Areas of specific attention**

1. The LP and its partners shall ensure that European and national rules particularly in the field of public procurement, equal opportunities and non discrimination, environment and State aid rules are fully respected. All supplies and materials purchased under this contract must originate from the Community or a country eligible to IPA or country eligible to the European Neighbourhood and Partnership Instrument or a Member State of the European Economic Area.
2. The LP and its project partners are obliged to respect the public procurement rules as specified in Article 121 of the EC Regulation No 718/2007, as amended by the Commission Regulation (EC) No 80/2010 and Commission Regulation (EC) No 1292/2011 of 9 December 2011.

With regard to Part one of Commission Decision C (2007) 2034 chapters 1-5 of “Practical Guide to contract procedures for EC external actions (PraG)” and the standard contracts and operational instructions annexed to PraG shall be used.

According to the terms set out in PraG:

- a) the Lead Beneficiary and the Project Partners act as Contracting Authorities,
- b) the control is ex-post.

Wherever consultation with the Commission or prior approval of the Commission is required, the Contracting Authority shall take the decision at its own risk. The decision will be subject to verification audit.

Chapters 2.4.5 and 3.4.1 (Framework contracts) of PraG shall not be applied.

3. All receipts generated by the project have to be declared, on the level of the partner as well as on the level of the operation.
4. The expenditures shall not be double funded by any other European and/or national funds. This means not to claim twice the same expenditures, to include it into several operations and/or to use co-financing already granted by European Union.
5. No undue advantages should be given to other bodies.
6. The LP and its partners shall comply with national provisions regarding data protection.

**Article 9**  
**Project partnership and responsibilities of the LP**

1. Partners are listed in Annex 1 of this contract. Only costs paid and borne directly by organisations listed as partners are eligible. Each partner is granted in accordance with his contribution to the outputs of the operation. Partners can in no way be suppliers of other partners.
2. The partnership shall be governed by a Partnership Agreement signed by all partners.
3. The LP guarantees that it is entitled to represent all partners participating in the operation and that it will establish with the partners the division of the mutual responsibilities in the form of a Partnership Agreement. The LP guarantees furthermore that it has complied with all requirements under the law which applies to the LP and to its partners and that all necessary approvals have been obtained.
4. The LP is liable towards the MA for ensuring that all of its partners have the legal status that is in line with the definition given in OP and in the latest version of the Practical Implementation Manual available on the web site. Moreover the LP is liable towards the MA for ensuring that its partners fulfil their obligations under this contract.
5. The LP is also liable towards the MA for infringements of obligations under this contract by its partners in the same way as for its own conduct.
6. The LP guarantees that all arrangements have been taken to ensure proper book-keeping including separate accounting and retention of documents for a period of three years following the closure of the Programme by the European Commission (at least by **2020**).
7. The LP guarantees also that all outputs will be delivered by the partnership for cross-border purposes as mentioned in the annexes of this contract.
8. If the MA demands repayment of subsidy funds in accordance with this contract, the LP is liable towards the MA for the total amount of the subsidy.
9. Beside already mentioned responsibilities, the Lead Partner is also responsible for:
  - ensuring the implementation of the entire operation.
  - ensuring that the expenditure presented by the beneficiaries participating in the operation has been paid for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries.
  - verifying that the expenditure presented by the beneficiaries participating in the operation has been validated by the controllers.
  - transferring the IPA contribution to the beneficiaries participating in the operation.
  - collecting the information from the project partners, cross-checking the certified activities with the progress of the project and submitting the reports to the JTS.
  - harmonizing the project changes with the MA/JTS and other project partners.
10. The LP shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the operation is being carried out. The LP shall discharge the MA of all liability associated with an infringement of rules or regulations by the LP or one of its partners.
11. The LP undertakes that it or someone else acting in its name or on its behalf will not promise, offer or give any undue advantage to a representative or intermediary of a public sector body or

organisation to obtain business or to conclude business on more favourable terms, or omit due supervision over the performance of contractual obligations, or for any other act or omission by which the public sector body or organisation may suffer damage or by which a representative or intermediary of the public sector body or organisation, the other contracting party or its representative, agent or intermediary is able to obtain an undue advantage.

In a case of a violation or attempted violation of this clause, an already concluded and valid contract shall become null and void, and if a contract is not yet valid, it shall be deemed as not concluded.

#### **Article 10 Changes**

1. The MA/JTS should be informed by LP of changes related to this contract especially in a case of new contact points and bank account. All operation changes must be agreed between the project partners before they are communicated to MA/JTS.
2. The LP shall explain and justify financial, substantive or time changes in the operation. Failure to do so shall result in the loss of the right to further use the funds of the Community contribution and the return of funds already received.
3. In the following cases, the MA/JTS can approve some direct changes requested by the Lead Partner:
  - a) cost category modification (up to 20% from project start)
  - b) budget reallocation per partner (up to 20% from project start)
  - c) calendar extension (up to one year).
4. All other major changes must be approved by JMC, especially in case of new partnership.

#### **Article 11 Recoveries and retention of documents**

1. Based on the fact that payments by the European Commission will only be made in accordance with the corresponding budget commitments and that funds can be automatically de-committed by the European Union if the money is not spent under the relevant financial profile, the LP must request the payments as indicated in its calendar of expenditures.
2. The MA after consulting the NAs reserves the right to reduce the approved IPA funds if the operation does not respect its calendar of expenditures.
3. The LP and its project partners must undertake to retain all documents and receipts pertaining to the project and the financing thereof in a safe and orderly fashion for a period of three years following the closure of the Programme by the European Commission (at least by 2020). Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected. As a general rule, it is also possible to use suitable image and data media, if the reproduction thereof is complete, orderly, identical in terms of content, in complete conformity with the original and capable of auditing, and access thereto is assured at any time until the expiry of the retention period.

4. The LP and its partners shall give access required by MA/JTS, National Authority, Certifying Authority, Audit Authority or authority competent for auditing and other control bodies including inter alia in respect of each operation, to the project documentation, which includes in the first place the technical specifications and financing plan, documents concerning the grant approval, documents relating to public procurement procedures, progress reports and reports on verifications and audits carried out.
5. The LP will produce all documents required for the audit, provide any information about the operation requested and give access to the LP business premises and buildings and to other premises where the operation is being carried out as well as to allow for performing measurements and investigations relating to the operation, to allow for auditing of accounting documents and other documentation related to the operation, for a period of three years following the closure of the Programme by the European Commission.
6. In case of irregularities, the unduly paid amounts have to be repayed. The LP is obliged to secure repayments from the project partners concerned and has to repay the amount specified by the MA/JTS before the due date. If the Lead Partner can not get the repayment of the amounts from the Project Partners, in accordance with the agreement existing between them, the amounts have to be repayed by the Lead Partner. In case the Lead Partner makes his payment after the due date the amount repayable shall be subject to interest. The interest rate will be determined in accordance with Article 102 of the Commission Regulation (EC) No 1083/2006.

**Article 12**  
**Information and publicity**

1. The LP and its project partners are obliged to respect the information and publicity rules as specified in the EC Regulation No 718/2007, as amended by the Commission Regulation (EC) No 80/2010 and Commission Regulation (EC) No 1292/2011 of 9 December 2011, in the Practical Implementation Manual and information on information and publicity available on the programme web site. In all operation reports, publications, communications, and tender procedures, linked to the operation, including those, created at conferences or seminars, it has to be stated that the operation received subsidy from the European Union.
2. In addition to using the European flag and programme logo and slogan, it must be clearly stated that the project has been co-financed by IPA through the IPA Operational Programme Slovenia-Croatia 2007-2013.
3. The MA/JTS shall be authorised to publish, in whatever form and on or by whatever medium, including the Internet, the following information:
  - a. the name of the LP and its partners,
  - b. the purpose of the subsidy and operation outputs,
  - c. the amount granted and the proportion of the total eligible cost of the operation accounted for by the funding,
  - d. the geographical location of the operation,
  - e. information and communication materials produced within the operation,
  - f. any other information agreed with the LP.

**Article 13**  
**Ownership – Use of results**

1. Final beneficiary agrees that GOSP can use the outputs of the operation, including the reports and other documentation associated with the operation, in order to ensure wide access of the public to these outputs and to make them available for the public.
2. Final beneficiary agrees that GOSP can in any time claim different products, which were co-financed with the grant of the operation and can be used by GOSP and have the character of the authorial work.

**Article 14**  
**Right of Termination**

1. The MA is entitled, in whole or in part, to terminate this contract and to demand repayment of subsidy in full or in part together with the statutory interest, as stated in the Point 3 of this article if, by instance,
  - a) the LP has obtained the subsidy through false or incomplete statements; or
  - b) some expenditures are double-funded or the operation has not been or cannot be implemented; or
  - c) it has not been or cannot be implemented in due time; or
  - d) the LP has failed to submit required reports or proofs, or to supply necessary information, provided that the LP 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; or
  - e) the LP has impeded or prevented the auditing; or
  - f) the subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon; or
  - g) the LP 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 to deliver the aforementioned cross-border outputs; or
  - h) The LP and its Partners failed to sign the Partnership Agreement before the submission of the first progress report to the designated national controllers.
2. If the MA exercises its right of termination, the LP is obliged to transfer the requested repayment of funds to the Certifying Authority. The repayment of funds is due within 90 days following the date of the letter by which the MA asserts the repayment claim; the due date will be stated explicitly in the order of recovery.
3. If the MA exercises its right of termination, the amount repayable shall be subject to interest, starting on the due date and ending on the date of actual payment. The interest rate will be determined in accordance with Article 102 of the Commission Regulation (EC) No 1083/2006.

**Article 15**  
**Applicable Law – Disputes**

1. This contract is governed by Slovenian law. The contract is stipulated in the Slovene and/or Croatian language. In case of discrepancies, the Slovenian version prevails.

2. Any dispute between the parties which could not be resolved amicably concerning their contractual relationship and, more specifically, the interpretation, performance and termination of this contract, shall be referred to the competent Court in Ljubljana which shall have exclusive jurisdiction.

**Article 16**  
**Legal succession**

1. In case of legal succession, e.g. where the LP changes its legal form, the LP is obliged to transfer all duties under this Contract to the legal successor. The LP shall notify the MA about any change beforehand. In case the change will affect the operation or the project partnership, the JMC will take final decision about the new LP.

**Article 17**  
**Concluding provisions**

1. All correspondence with the MA/JTS under this contract must be in Slovene and/or Croatian language. The binding language is \_\_\_\_\_. The address for the correspondence:

Joint Technical Secretariat for OP IPA SI-HR 2007-2013  
Government Office for Local Self-Government and Regional Policy  
Sector for the management of Cross-border Programmes  
Dunajska 58  
SI – 1000 Ljubljana

2. If any provision in this contract should be wholly or partly ineffective, the parties to this contract undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.
3. Amendments and supplements to this contract must be in written form and in the Slovenian and Croatian language.
4. This subsidy contract is issued in four copies; three copies shall be returned to the JTS, and one copy shall be kept by the LP.
5. The contract enters into force, when it is signed by both parties, and terminates three years following the closure of the programme by the European Commission.

Place and date:

\_\_\_\_\_

Number:

Ljubljana, \_\_\_\_\_

Name of the signer of the LP

Government Office of the Republic of  
Slovenia for Local Self-Government and  
Regional policy

*Signature and stamp if available*

Hermina Golob, MA

**Annexes**

1. List of project partners
2. General part
3. Reporting calendar