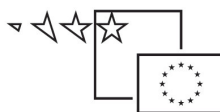




REPUBLIC OF SLOVENIA

GOVERNMENT OFFICE
FOR LOCAL SELF-GOVERNMENT AND
REGIONAL POLICY

Kotnikova 28, SI-1000 Ljubljana,
Phone: + 386 1 308-31-78 Fax: + 386 1 478-36-19



Investing in your future

OPERATION PART FINANCED BY THE EUROPEAN UNION
Instrument for Pre-Accession Assistance

Instrument for Pre-Accession Assistance Cross-border Cooperation Programme Slovenia-Croatia 2007-2013

**GOVERNMENT OFFICE FOR LOCAL SELF- GOVERNMENT AND REGIONAL POLICY,
Kotnikova 28, 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 Cross-border Cooperation 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 No. 1 of the (EC) No. 718/2007 (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

Operation Title	
Acronym	
Priority	
SPIS Number	
ISNARD Number	

Contract managers

	MA	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, 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;
 - Instrument for Pre-Accession Assistance Cross-border Cooperation Slovenia-Croatia Operational Programme 2007-2013, as in the last version approved (hereinafter referred to as OP);
 - Financing Agreement for Slovenia-Croatia Operational Programme 2007-2013 signed on [date];
 - 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 110/2007);
 - 1st Call for Proposals in the frame of IPA Operational Programme Slovenia-Croatia 2007-2013 published on [date];
 - Practical Implementation Manual (PIM) of the Programme;
 - Decision [number, date] of the Joint Monitoring Committee (hereinafter referred to as "JMC") of the OP;
 - Notification to the LP on the project selection with approved amount of co-financing funds [number, date].
2. Practical information on the programme and its legal basis is available on www.svlr.gov.si.

Article 2
Object

1. In accordance with JMC decision, the Lead beneficiary undertakes under its technical and financial responsibility to implement the above-mentioned operation.
2. This operation will be granted under the mentioned priority of OP.
3. 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 MA is entitled, in whole or in part, to terminate this contract and to demand repayment of subsidy, if the operation does not start before the date of submission of the first progress report as stated in the annexes.
2. 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 2, point E.

Article 4

Eligible expenditures

1. Expenditures, which qualify for a subsidy exclusively consist of eligible expenditures as stated in the annexes 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.

Article 5

Award of subsidy

1. The subsidy is awarded from the Instrument for Pre-accession Assistance (hereinafter referred to as IPA). 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.
2. 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.
3. 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 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 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 3 months after the completion of the project as condition for the final reimbursement.
5. The progress report shall be submitted in both electronic and paper form to the JTS. The paper version is duly signed and stamped by the LP.
6. The funds will be disbursed in Euro (EUR; €) only and transferred to an account indicated by the LP. Any exchange rate risk will be borne by the LP.
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.

Article 7 **Audit and control**

1. At partner level, in accordance with Article 108 of Regulation (EC) No 718/2007, 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. At project level, the LP shall ensure that expenditures of each partner have been independently verified and ensure that the expenditures are in accordance with national and Community control requirements. 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 on 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 partners shall declare to national controllers all revenue and receipts generated by the project and, all activities that could be considered in a state of competition with other bodies. The LP is responsible to declare all revenue and receipts to MA/JTS.
3. The expenditures shall not be double funded by any other European and/or national funds.
4. No undue advantages should be given to other bodies and in case of investment whose cost purchase is granted, activities and ownership should be secured at least within 5 years from operation closure.
5. The LP and its partners shall comply with national provisions regarding data protection.

Article 9

Project partnership

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 shall play an active role in operation implementation and is granted for its contribution to outputs. Partners are not suppliers of other partners. *[If applicable Public authorities involved in the preparation or implementation of the operation are mentioned as such in Annex 1]*
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 (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.

Article 10

Changes

1. The MA should be informed by LP of changes related to this contract especially in a case of new contact points and bank account. All project changes must be agreed between the project partners before they are communicated to MA.
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 can approve some direct changes requested by the Lead Partner:
 - a) budget line 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 is entitled, in whole or in part, to terminate this contract and to reallocate the grant, 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 (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 to the project documentation required by MA, National Authority, Certifying Authority, Audit Authority or authority competent for auditing and other control bodies including inter alia in respect of each operation, 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 project requested and give access to the LP business premises and buildings as well as to allow for performing measurements and investigations relating to the project, 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 (at least 2020).
6. In case of irregularities, the Partners as final beneficiaries shall repay the lead beneficiary the amounts unduly paid in accordance with the agreement existing between them.

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, in the Practical Implementation Manual and information on information and publicity available on the programme web site.
2. As an example, in all project reports, publications, communications, and tender procedures, linked to the project, including those, created at conferences or seminars, it has to be stated that the project received subsidy from the European Union.
3. Furthermore, it must be clearly stated that the project has been co-financed by IPA through the Cross-border Cooperation Operational Programme Slovenia-Croatia 2007-2013 in addition to using the European flag and programme logo and slogan.

4. The MA 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 project 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 project,
 - e. information and communication materials produced within the project,
 - f. any other information agreed with the LP.

Article 13 **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, 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 countersign this subsidy contract, or 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 within 4 months from the signing of the present subsidy contract.
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 one month 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 day the payment was made and ending on the date of actual repayment. The interest rate will be determined in accordance with Regulation (EC) No. 718/2007, Article 53 (2).

Article 14 **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 15

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 SI-HR 2007-2013
Government Office for Local Self-Government and Regional Policy
European Territorial Cooperation Division
Kotnikova 28
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.

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

Dr. Ivan Žagar
Minister

Annexes

1. List of project partners
2. General part
3. State aid situation