



REPUBLIC OF SLOVENIA

GOVERNMENT OFFICE
FOR LOCAL SELF-GOVERNMENT AND
REGIONAL POLICY

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**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 the signatory],**

acting as the Managing Authority of the Operational Programme Slovenia - Austria 2007 –
2013, hereinafter referred to as **MA**

and

**[name and address of the institution], tax number _____, registration number
_____, which is represented by [name and function of the signatory],**

acting as the Lead Partner (main beneficiary), appointed by the project partners in the sense
of Article 20 No. 1 of the (EC) No. 1080/2006, hereinafter referred to as **LP**,

hereby conclude the following

SUBSIDY CONTRACT No. _____

for the operation [full name of the project], hereinafter referred to as the Project.

Project acronym	
Priority	
SPIS Number	
Central monitoring system number	

**Article 1
Legal basis**

1. This contract is concluded on the basis of:
 - Council Regulation (EC) No 1083/2006 of 11 July 2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;

This legal text is the “backbone” of the legal system for the European Structural Funds. The Regulation sets out the objectives of Cohesion Policy for 2007 – 2013, details the financial framework and resources available, lists management and control systems, and specifies the role of competent authorities in the implementation of each Operational Programme.

- Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;

The Regulation, dealing with ERDF specifies within the framework set up by the General Regulation, the ERDF scope of assistance in the different objectives, with specific provisions on the European Territorial Cooperation Objective. It details, with regard to the General Regulation, management, monitoring and control systems, functions of the MA and responsibilities of beneficiaries.

- Regulation (EC) No 1828/2006 of the European Commission of 8 December 2006 on implementing Council Regulation (EC) No 1083/2006 on laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development;

This Commission Regulation lays down the information and publicity rules which must be obligatory respected for each operation co-financed by European Structural Funds. It also sets out management and control systems, and procedures in case of irregularities.

- Operational Programme Slovenia-Austria 2007-2013, as in the last version approved, (hereinafter referred to as operational programme (OP));
- 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 (Ur.l.RS št. 110/2007);

The Decree is not binding for the Lead Partner and it is necessary exclusively for the disbursement of programme funds.

- Open Call for Proposals and application pack published on [date] and amended on....;
- Decision [number, date] of the Joint Monitoring Committee of the operational programme to select the project for co-financing;
- Notification to the LP on the project selection with approved amount of co-financing [number, date].

Article 2

Award of subsidy

1. Based on the decision and recommendation taken by the Joint Monitoring Committee of the operational programme (hereinafter referred to as JMC), dated <JMC meeting date>, the **maximum provisional amount** of ... that represent X % of ... € of eligible costs is awarded to the LP and its project partners from the European Regional Development Fund (ERDF) assistance under the Operational Programme Slovenia-Austria 2007-2013 for the implementation of the project.

Beside the LP, the project will be implemented by the following project partners:

Partner 1 - [name and address of the institution]

Partner 2 - [name and address of the institution]

Partner 3 - [name and address of the institution]

2. The LP accepts the subsidy and undertakes to carry out the project under its own financial and technical responsibility.
3. If the eligible expenditure effectively incurred fall below the calculated amount as laid down in the project, the subsidy will be reduced proportionally.
4. Payments are subject to the condition that the European Commission makes the funds available to the extent described in the No. 1 of this Article.

Article 3 Scope of the contract

1. The ERDF subsidy is awarded exclusively for the project as it is described in the Project sheet as approved by JMC. The approved Project sheet with the financial and evaluation Annexes form an integral part of the contract.

Article 4 Project duration and eligibility of expenditure

1. The start of the project is [date]. The end of the project 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. Costs, which qualify for a subsidy, exclusively consist of eligible costs as listed in the financial annex.
3. Detailed eligibility rules are determined in the Guide for Applicants.

Article 5 Project changes and reallocation of funds

1. All project changes must be justified and agreed between the project partners before they are communicated to the MA.
2. The LP undertakes to notify in writing the MA as early as possible of any events that might delay, obstruct or prevent the implementation of the co-financed project and of any circumstances implying a modification in relation to the preconditions and framework conditions indicated in the contract. Changes related to the project have to be approved by the programme bodies.
3. The major changes on the project have to be approved by the JMC:
 - extension of the project duration for more than 12 months from the end date defined in the Article 4 (1);
 - changes in project partnership (replacement of a partner, leaving of a partner, additional partner);
 - modification of the financing plan (ERDF);
 - reallocation of the funds between cost categories exceeding the sum of 20% of total eligible costs;
 - changes of output values exceeding 20% of the initially approved ones.

- All other changes can be approved by the MA and the involved co-funding bodies. They may agree to put the decision on the level of the JMC.

Article 6 Reporting and application for reimbursement

- Reimbursements of eligible expenditure can only be made after submission of a signed Partnership Contract as outlined in the Article 8 (1). The Partnership Contract shall be submitted within 4 months from Subsidy Contract signature.
- The LP may request reimbursements of eligible expenditure by providing proof of progress of the project as described in the approved application. Therefore the LP has to present progress reports and a final report to the MA/Joint Technical Secretariat (hereinafter referred to as JTS) in the respect to the official forms available on programme website.
- The progress reports, in which expenditure of each project partner must be verified by its designated controller beforehand, have to be submitted as shown in the table included in annex. The MA may require or agree on additional reporting. The final report is to be submitted within 4 months after the completion of the project for the final reimbursement unless otherwise agreed with MA.
- The controllers, that in accordance with the Article 16 of the Regulation (EC) No 1080/2006 are designated by each Member State to verify the legality and regularity of the expenditure declared by the LP and each project partner participating in the project are:

Project partner	Designated Controller
LP	<Institution, address, telephone, fax, email>
P1	<Institution, address, telephone, fax, email>
P2	<Institution, address, telephone, fax, email>
P3	<Institution, address, telephone, fax, email>

- In the course of the project implementation period at least one control on the spot will be carried out by the designated controller.
- The MA, through the JTS, may request additional information regarding reports at any time. That information must be supplied by the LP within the stipulated time frame.
- The funds will be disbursed by the Certifying Authority (hereinafter referred to as CA) in Euro only on the account of the LP. At the request of the LP and under its responsibility some specific bank arrangements can be made.

Article 7 Revenues

- All revenue generated by project has to be monitored in the respect to Art 55 of the general Regulation (EC No 1083/2006).
- In case of net revenue calculated in advance and at the latest 3 years after programme closure, beneficiaries have to monitor and report the revenue not taken into account to MA and CA.

3. All revenue generated within 5 years of operation completion and not included in the initial calculation of the eligible costs has to be declared and reimbursed to MA/JTS.

Article 8

Responsibilities and obligations of the LP and its project partners

1. The LP guarantees that it is entitled to represent all partners participating in the project and that it has agreed with them a division of the mutual responsibilities which are laid down in the application and has to be specified in the Partnership Contract including provisions guaranteeing the sound financial management of the funds allocated to the project, including the arrangements for recovering amounts unduly paid. The LP is liable towards the MA for ensuring that its partners fulfill their obligations under this contract.
2. The LP shall furthermore assume the following responsibilities:
 - It shall be responsible for ensuring the implementation of the entire project;
 - It shall ensure that the expenditure presented by the project partners participating in the project has been incurred for the purpose of implementing the project and corresponds to activities agreed between those project partners;
 - It shall verify that the expenditure presented by the project partners participating in the project has been validated by the controllers;
 - It shall be responsible for transferring the ERDF contribution to the project partners;
 - It shall collect the information from the project partners, cross-check the validated expenditure with the progress of the project and submit the reports to the JTS;
 - It shall harmonize the project changes with the co-funding bodies and formally submit those via the JTS to the MA/JMC for approval;
 - It shall comply with the regulations referred to in the Article 1 of this contract as well as with relevant national legislation including public procurement, rules for competition and entry into markets and valid national legislation ruling specific fields addressed by the project and to take into account the Community policies such as: protection of the environment, equal opportunities;
 - It is responsible for the whole operation and shall satisfy himself that the verification of all expenditure on the level of operation has been done.
3. 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 any claim or action brought as a result of an infringement of rules or regulations by the LP or one of its partners or as a result of violation of a third party's rights.
4. The MA cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the LP or one of its partners while the project is being implemented. The MA cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.

Article 9

MA obligations

1. Besides in this contract already mentioned obligations, MA is responsible:
 - to monitor and control implementation of this contract and correct use of funds;
 - inform the LP of the changes in case of change of the conditions, on which the existing contract is based, or in case of any changes that could affect project implementation,

- reporting and payment of funds;
- to provide clear information, procedure instructions and explanations, forms and other required documents.

Article 10 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 1828/2006, and the MA Publicity and Information Guidelines.
2. The MA shall be authorized to publish, in whatever form and on or by whatever medium, including the internet, the following information:
 - the name of the LP and its partners,
 - the purpose, outputs and cross-border outcomes of the subsidy,
 - the amount granted and the proportion of the total eligible costs of the operation accounted for by the funding,
 - the geographical location of the project,
 - whether and how the project has previously been publicized;
 - any other information agreed with the LP.

Article 11 Ownership – Use of results

1. Ownership, title and industrial and intellectual property rights in the results of the project and the reports and other documents relating to it shall, depending on the applicable national or EU law, rest with the LP and/or its partners.

Article 12 Durability of operations

1. As stated in Article 57 of EC No 1083/2006, the operation retains the contribution from the funds only if within five years from its completion the project does not undergo any substantial modification:
 - a) affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage; and
 - b) resulting either from a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity.
2. Sums unduly paid will have to be recovered.

Article 13 Double funding

1. Any expenditure incurred for an operation 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. Some controls will be especially dedicated to that point by MA / JTS.

Article 14 Sub-contractor

1. MA/JTS or any controller can ask information about sub-contractors and control the reality, values and prices of their works by comparison to supplier and beneficiary works.

Article 15 Retention of documentation, audit rights, project evaluation

1. The responsible auditing bodies of the EU and, within their responsibility, auditing bodies of the participating EU Member States or other national public auditing bodies or their authorized persons, as well as the MA and CA are entitled to audit the proper use of the funds by the LP or by its partners or arrange for such an audit to be carried out by the authorized persons.
2. In the name of all project partners the LP agrees, according to the legislation governing data protection that the MA is entitled to use the data which are contained in the application and which are acquired in the course of the realization and winding-up of controls of the project, and that the MA may convey these data to the organs and authorized representatives of the auditing bodies on regional, national and EU level.
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 until at least **31 December 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 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 allow performing measurements and investigations relating to the project, allow for auditing of accounting documents and other documentation related to the project, at least until 31 December 2020.
5. The LP undertakes to provide the independent assessors carrying out the on-going ad hoc and ex-post evaluation of the programme according to Articles 47 and 48 of the EC Regulation No 1083/2006 with any document or information necessary to assist the evaluation.
6. The LP shall inform the MA about any audits that have been carried out for the project.

Article 16 Right of termination

1. The MA is entitled, in whole or in part, to terminate this contract and, if justified, demand full or partial repayment of funds if:
 - a) the LP does not meet conditions or obligations, arising from the contract; or
 - b) the funds have been awarded to the LP based on false or incomplete statements; or
 - c) it was subsequently determined that the LP was awarded funds for activities from this

- contract from other sources (double funding); or
- d) the project has not been or cannot be implemented or it has not been or cannot be implemented in due time; or
 - e) the LP in spite of a written notice to MA and explanation of legal consequences of non-compliance, fails to submit required progress reports or proofs, or to supply necessary information; or
 - f) the LP has failed to as early as possible communicate the reasons, which are slowing or hindering the implementation of the co-financed project or which would require a change of the project, or any circumstances that mean a change of the disbursement conditions and frameworks as laid down in the contract; or
 - g) the LP or its project partners have impeded or prevented any kind of implementation of agreed controls or audits; or
 - h) the subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon; or
 - i) the EU regulations or national regulations, especially the provisions relating to competition, environmental protection and equal opportunities have been violated; or
 - j) insolvency proceedings are instituted against the assets of the LP or insolvency proceedings are dismissed due to lack of assets for expenditure recovery, provided that this appears to prevent or risk the implementation of the project activities, or the LP closes down; or
 - k) the LP does not retain the project documentation until 31 December 2020
 - l) 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. The MA will undertake all necessary measures to find solutions in cooperation with the LP.
2. Prior to or instead of terminating the contract as provided for in this article, the MA may suspend payments as a precautionary measure.
 3. If the MA exercises its right of termination of this contract and the LP is required to make full or partial repayment of amounts already paid, the LP is obliged to transfer the repayment amount to the CA. The repayment amount will fall due within 60 days of the letter by which the MA asserts the repayment claim; the due date will be stated explicitly in the order for recovery.
 4. If the MA exercises its right of termination of this contract and the LP is required to make full or partial repayment of amounts already paid, the amount repayable shall be subject to interest, starting on the day of payment was made by CA and ending on the date of actual repayment. The interest rate will be determined in accordance with law.
 5. Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the LP.
 6. If any of the circumstances indicated in Article 16 (1) occur before the full amount of subsidy has been paid to the LP, payments may be discontinued and there shall be no applications for reimbursement of the remaining amount.
 7. Any further legal claims shall remain unaffected by the above provisions.

Article 17 **Recovery of unjustified expenditure**

1. If the MA demands recovery of the subsidy funds in accordance with this contract, the LP

is liable towards the MA for the total amount of the subsidy and is obliged to repay the unduly paid amount.

Article 18 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 project or the project partnership, the JMC will take final decision about the new LP.

Article 19 Concluding provisions

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

Služba Vlade Republike Slovenije za lokalno samoupravo in regionalno politiko
Oddelek za upravljanje čezmejnih programov Maribor
Skupni tehnični sekretariat Slovenija–Avstrija 2007-2013
Svetozarevska 6
SI-2000 Maribor
e-mail: jts-si-at.svlr@gov.si

2. Contact persons responsible for execution of this contract:

a. for the MA/JTS [*name*]

b. for LP [*name*]

3. Contracting parties shall communicate any commonly agreed amendments of this contract in written form.
4. Any costs, fees or taxes or any other duties arising from the conclusion or implementation of this contract have to be born by the LP.
5. This contract is governed by the Slovenian Law. In case of differences that are not ruled by this subsidy contract, the parties agree to find an amicable and mutually acceptable solution. Should the parties fail to do so, all disputes arising in connection with this contract shall be settled by the District Court in Ljubljana, Slovenia.
6. Four originals will be made of this contract of which the MA keeps three and the LP keeps one. The LP is free to accept and sign this contract within 30 days after receipt from the MA.
7. The contract enters into force on the date when the second party signs the contract and terminates on 31 December 2020.

.....
(Place + Date)

.....
(Place + Date)

.....
(Signatory of the Lead Partner)

.....
(Signatory of the MA)

.....
(Signature + Stamp)

.....
(Signature + Stamp)

Annexes:

Annex 1: Project sheet (including financial and evaluation annex)

Annex 2: Table on reporting