



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 legal representative**

- acting as Managing Authority of the Cross-border Cooperation Programme Slovenia-Hungary 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 20 No. 1 of the (EC) No. 1080/2006, hereinafter referred to as “LP”,

hereby conclude the following

Subsidy Contract No. _____

for the implementation of the following operation **[full name of the operation]** (hereinafter referred to as “operation”)

Registration

Operation Title	
Acronym	
Priority	
SPIS Number	
ISARR Number	

Contact persons

	MA (JTS)	LP
Name of the contact person		
Function		
Institution		



Investing in your future
Operation part financed by the European Union
European Regional Development Fund

	MA (JTS)	LP
Address		
Postal Code		
Town		
Country		
Phone (office)		
e-mail address		

Article 1 **Legal basis**

1. This contract is concluded on the basis of the following regulations, documents:
 - Council Regulation (EC) No 1083/2006 of 11 July 2006, laying down general provisions on the structural funds;
 - Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund;
 - Regulation (EC) No 1828/2006 of the European Commission of 8 December 2006 on implementing rules;
 - European Territorial Cooperation Operational Programme Cross Border Cooperation Slovenia-Hungary 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 (OG RS no. 110/2007);
 - Practical Implementation Manual (PIM) of the Programme
 - 2nd Call for Proposals in the frame of the Operational programme Slovenia-Hungary 2007-2013 published on [date]
 - Decision [number, date] of the Joint Monitoring Committee (hereinafter referred to as "JMC") of the OP;
 - Decision on conditionally approval of the application [number, date]
 - Decision on approval of the application with the ERDF amount grant [number, date]
 - The last approved version of the Application form with all approved amendments.

2. Practical information on the programme and its legal basis is available on www.si-hu.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. This operation will be granted under the mentioned priority of Cross-border Cooperation Programme Slovenia-Hungary 2007-2013.
3. The subsidy is awarded exclusively to the operation as it is referred to 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 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 2.
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 Annex 2, point E.

Article 4
Eligible expenditures

1. Expenditure, which qualify for a subsidy exclusively consist of eligible costs 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 Joint Monitoring Committee of the Programme, available on the programme web site.

Article 5
Award of subsidy

1. The subsidy is awarded from the European Regional Development Fund (hereinafter referred to as ERDF). The subsidy awarded is the maximum subsidy in amount of ... EUR 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 expenditure submitted and approved by MA/Joint Technical Secretariat (hereinafter referred to as "JTS").

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 report with a strict deadline in a case of risks of de-commitment at programme level or in other justified cases. The MA/JTS will provide reporting forms on the programme web site which must be used by the LP.
2. The LP shall, in compliance with Article 20(1) of Regulation No 1080/2006 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 ERDF contribution to the partners participating in the

operation as soon as possible and in the respect to the Partnership Agreement but at the latest within 8 days after receiving the payment from the Certifying Authority.

3. These reports shall be submitted in the respect to calendar of reporting in Annex 2 taking into account the final date of eligibility. Payments not requested in time and in full may be lost due to the “n+2/3” rule.
4. The final report is to be submitted within 5 months after the operation closure as condition for the final reimbursement.
5. Lead Partner Application for Reimbursement shall be submitted in accordance with the dates stated in Annex 2 in both electronic and paper form to the JTS. The paper version must be signed and stamped (if stamp is available) by the LP.
6. The funds will be disbursed in Euro (EUR; €) only and transferred to the account below, indicated by the LP.

Bank name:

Bank address:

SWIFT Code:

IBAN account number:

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 16 of Regulation (EC) No 1080/2006, national controllers are designated by each Member 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 expenditure 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 are fully respected.
2. All revenue generated by the operation must be declared on the partner and/or operation level.
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 as stated in Annex 2.
5. 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 shall play an active role in operation implementation and is granted for its contribution to outputs. 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
7. The LP guarantees also that all outputs as mentioned in the Annex 2 of this contract will be delivered by the partnership for cross-border purposes.
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 incurred 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 ERDF 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.

Article 10 Changes

1. The MA/JTS should be informed by LP of changes related to this contract especially in the case of a new contact person and bank account. All project changes must be agreed between the project partners before they are communicated to the 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 the 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 Commission if the money is not spent under the relevant financial profile, the LP must request the payments as indicated in the calendar of expenditures (see Annex 2, point D).
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. The maximum ERDF underspending acceptable after two consecutive reporting periods is 15%. In case of underspending rate higher than 15%, the Managing Authority reserves the right to reduce the approved ERDF for the exceeding percentage applied to the foreseen ERDF of the reference periods.
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 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/JTS, National Authority, Certifying Authority, Audit Authority or authority competent for auditing and other control bodies, in respect of each operation, including 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 other locations of project implementation 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 by the European Commission.
6. In case of irregularities, the amounts unduly paid must be recovered. 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. In case the LP cannot recover the amount concerned from the project partner on the basis of the Partnership Agreement existing between them, the LP shall inform the MA/JTS in written form within the due date.

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 1828/2006, in the Practical Implementation Manual and in the Information and Publicity Guidelines for Beneficiaries, available on the programme web site ..
2. 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.
3. Furthermore, it must be clearly stated that the project has been co-financed by ERDF through the Cross-border Cooperation Programme Slovenia-Hungary 2007-2013 in addition to using the European flag and programme logo and slogan.
4. 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 tools 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 interest specified in 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 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 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. 1083/2006, Article 102. In case of delay in repayment, interest on late payment may be charged.

Article 15
Applicable Law – Disputes

1. This contract is governed by the Slovenian law. The contract is stipulated in the Slovene and Hungarian language. In the 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
Concluding provisions

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

Government Office for Local Self-Government and Regional Policy (GOSP)
Unit for Managing of Cross-border Programmes Maribor
Joint Technical Secretariat Slovenia-Hungary 2007-2013
Svetozarevska 6
SI - 2000 Maribor

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 Hungarian 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:

SPIS Number:

Ljubljana, _____

Name of the signers of the LP

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

Signature and stamp if available
Function

Managing Authority

Annexes

1. List of project partners
2. Financial description - General part