



IPA Subsidy Contract

Regarding the Strategic Project:



Acronym:
STR/cod.prog

Version No. 3

approved by the JMC on 16/10/2013



The Programme is co-funded by the European Union, Instrument for Pre-Accession Assistance (IPA)



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Between

Abruzzo Region of the Italian Republic, "Direzione Affari della Presidenza, Politiche Legislative e Comunitarie Programmazione, Parchi, Territorio, Valutazioni ambientali, Energia - Servizio Cooperazione Territoriale - IPA Adriatic"

Via Salaria Antica Est, No. 27 – 67100 L’Aquila (AQ) – Italy

Fiscal code: 80003170661

acting as Managing Authority of the IPA Adriatic Cross-Border Programme, and represented for the purpose of signature by the pro-tempore manager (hereinafter referred to as "the MA")

of the one part,

and

Full name:

Address:

Fiscal Code:

hereinafter referred to as the "LB" and represented by:

(on the basis of the power of attorney dated, here annexed if applicable),

of the other part,

who hereinafter will be jointly referred to as "the Parties",

1) The Council of the European Union Regulation (EC) No 1085/2006 of 17 July 2006, establishing an instrument for pre-accession assistance (hereinafter referred to as "IPA Framework Regulation") and following amendments and integrations. With effect from 1 January 2007, this instrument constitutes the single legal basis for the provision of financial assistance to candidate countries and potential candidate countries in their efforts to enhance political, economic and institutional reforms with a view to becoming members of the European Union;

2) the European Commission Regulation (EC) No 718/2007 of 12 June 2007 and following amendments and integrations, implementing the IPA Framework Regulation, detailing applicable management and control provisions (hereinafter referred to as "IPA Implementing Regulation");

3) the Commission Decision No. C(2008) 1073 of 25 March 2008, approving the IPA Adriatic Cross Border Cooperation Programme with reference code "CCI 2007 CB 16 IPO 001", hereinafter referred to as "the Programme", amended with Decision No. C (2010) 3780 of 30 June 2010, with

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Decision No. C(2011) 3396 of 18 May 2011, with Decision No. C(2011) 3740 as of 26 May 2011 and with Decision No. C(2012) 4937 of 13 July 2012;

4) Under the Framework agreements between the Government of the non-EU Participating Countries and the Commission of the European Communities for the co-operation concerning EC-financial assistance of IPA, were signed the Financing Agreements between the European Commission and the Government of the non-EU Participating Countries concerning the "IPA Adriatic Cross-Border Cooperation Programme";

5) In compliance with the Programme Implementation Manual, the Management and Control Manual and the FLCOs Guidelines, which are published on the Programme internet web site: <http://www.adriaticipacbc.org>;

6) On 3 September 2012, the MA launched the Call for Strategic Project Proposals under the Programme Priority, receiving an Application Form for the project called:

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with acronym, hereinafter referred to as "the Project";

7) On, the Joint Monitoring Committee of the Programme approved the ranking list of Projects admitted to the Programme grants, among which the Project with the code n°

8) In the Partnership Agreement for implementing the Project, the Project Partners have confirmed as Lead Partner the present Lead Beneficiary, while Project Partners other than Lead Beneficiary hereinafter referred to as "the final beneficiary/ies" as well as "the Project Partner/s".

Article 1- Importance of the annexes

The conventional framework of the IPA Subsidy Contract includes the following annexes:

- a) Annex I: General conditions of the IPA Subsidy Contract;
- b) Annex II: Copy of the Project Application Form;
- c) Annex III: Original copy of Project's Partnership Agreement;
- d) Annex IV: The funding allocation letter (FAL);
- e) Annex V: The update of Project's time plan and the budget revision where required (section 4, 5 and 6 of the Project Application Form);
- f) Annex VI: Project Lead Beneficiary bank's account identification notice;
- g) Annex VII: Declaration of the Lead Applicant;

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h) Annex VIII: →Financial guarantee on Community contribution (*insert if applicable to the project*).

Article 2 – Subject matter

1. In compliance with the financing decision of the JMC, the MA awards the Community contribution to the Lead Beneficiary for the implementation of the Project.
2. The Community contribution is granted under the terms and conditions set up in the European Union legal framework, in the national law applicable, in the rules of Project Call for Proposals, in the Management and Control Manual, in the FLCOs Guidelines and in this Contract and its annexes, which the Lead Beneficiary hereby declares to know and accept.
3. The present Contract determines the funding conditions for the whole final beneficiaries, partners of the Project, hereby represented by the Lead Beneficiary.
4. The present Contract does not affect the Contracting Parties if the Lead Beneficiary fails, without justification, to perform the obligation set out under the following Article 22 Signature of the Contract.
5. This Contract does not provide the obligation to assign and transfer the National co-financing contribution to the Project final beneficiaries.

Article 3 - Duration of Contract

1. Without prejudice to the provisions concerning the implementation of the Project and the eligibility of expenditure, this Contract enters into force following the rule set out under Art. 23 Entry into force, and expires the first day upon receipt of the final payment to the LB, while obligations arising from Community and national legislation still apply.
2. The Project implementation period is No. months in accordance with the approved Application Form, which was updated at the current date of Project's starting.

Article 4 – Project financing rate

1. The total budget of Euro allocated to the Project's Partnership for the Project implementation activities is composed of the Programme contribution and own additional contribution, where applicable. The total Programme contribution to the Project amounts to Euro, with the following composition:
 - a) the total Community contribution amounting to a maximum of Euro, equivalent to 85% of the total Programme contribution;

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b) the total National co-financing amounting to Euro, equivalent to a co-financing rate of 15% of the total Programme contribution.

2. In the event that a final beneficiary will act in the Project as an undertaker having any or potential economic advantages, that final beneficiary has to provide own additional contribution to the Programme contribution, which will be granted under a Community State aid regime, following the provisions set out in the Call for Proposal applicable (*insert if applicable to the project*).

Article 5 – Responsibilities of the Lead Beneficiary

1. The Lead Beneficiary shall implement the Project under its own responsibility and in accordance with the Project Application Form, its revision and the Partnership Agreement, all of them annexed to this Contract, in order to achieve the objectives laid down therein.

2. The Lead Beneficiary acts on behalf of all Project Partners and undertakes all the necessary actions to implement the Project in collaboration with them. The Project Partners, as identified in the Application Form and the Partnership Agreement, are listed herewith:

Project Partner No. 01

Full name:

Address:

Fiscal Code:

Project Partner No. 02

Full name:

Address:

Fiscal Code:

Project Partner No. 03

Full name:

Address:

Fiscal Code:

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Project Partner No. 04

Full name:

Address:

Fiscal Code:

Project Partner No. 05

Full name:

Address:

Fiscal Code:

Project Partner No. 06

Full name:

Address:

Fiscal Code:

Project Partner No. 07

Full name:

Address:

Fiscal Code:

Project Partner No. 08

Full name:

Address:

Fiscal Code:

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Project Partner No. 09

Full name:

Address:

Fiscal Code:

Project Partner No. 10

Full name:

Address:

Fiscal Code:

Project Partner No. 11

Full name:

Address:

Fiscal Code:

Project Partner No. 12

Full name:

Address:

Fiscal Code:

Project Partner No. 13

Full name:

Address:

Fiscal Code:

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Project Partner No. 14

Full name:

Address:

Fiscal Code:

Project Partner No. 15

Full name:

Address:

Fiscal Code:

Project Partner No. 16

Full name:

Address:

Fiscal Code:

Project Partner No. 17

Full name:

Address:

Fiscal Code:

Project Partner No. 18

Full name:

Address:

Fiscal Code:

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3. The Lead Beneficiary and the Managing Authority are the only contracting parties envisaged in the IPA Subsidy Contract. Nevertheless, this Contract produces automatically its effects also on all Lead Beneficiary's Project Partners and, only for recovery of undue amounts, on the Participating Countries that host the Project Partners thereto as well.

4. In accordance with article 96, paragraph 1 of Regulation (EC) 718/2007, for the purposes of the IPA Subsidy Contract, the Lead Beneficiary is the main responsible for carrying out a correct and prompt implementation of the Project. Notwithstanding, each Project Partner is responsible for own irregularities incurred during the Project implementation activities.

5. The Lead Beneficiary shall transfer the Community contribution to each Project Partner bank account within the timeframe specified in the Project Partnership Agreement here annexed, from the date it receives the funding. The funds transfer will be made according to the Project Partner DVE reimbursed or, in the case of the funds for pre-financing, the transfer will be done in accordance with the rule set out under Article 9 of the Partnership Agreement. In accordance with Article 39 of Regulation (EC) 718/2007, the Project Partners shall receive the total amount of the Community contribution in due time and in full. No specific charge or other charge with equivalent effect shall be levied which would reduce these amounts.

6. The Lead Beneficiary declares that it and the other Project's Partners have not received and will not receive additional funding for the whole or part of the Project from any third EU fund throughout the implementation period of the Project.

Article 6 – Terms of Funding – Eligibility of Expenditure – Project timetable

1. Funding is granted exclusively for the implementation of the Project as described in the Application Form and its revisions and in the FAL, in accordance with the General Conditions listed in Annex "I".

2. Final beneficiaries implement the Project and the costs incurred by them are eligible under the same eligibility rules as the Lead Beneficiary. Only the expenditures relating to the Project preparation and implementation are eligible for the Community contribution, in the terms of the Project's description approved by the Joint Monitoring Committee. Eligibility rules are specified by the European Regulations as well as by the national rules as described by the provisions of the Programme and relative documents (Programme Implementation Manual, Call for Strategic Project Proposals, Applicants' Manual, FLCOs Guidelines and Programme Management and Control Manual) enforced.

3. Preparation costs are included in the total eligible budget, if they are incurred in accordance with eligibility rules and are directly related to the preparation of the Project.

4. The Lead Beneficiary undertakes the obligation to implement the Project and the expenditure related to it, in accordance with the approved Project timetable described in the Annex V of this

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Contract. Any change of the Project implementation timetable, not approved according to the procedures specified in the Annex I, will be deemed by the Managing Authority as partial or total non-fulfilment of the Project. In this case, the Managing Authority may exercise its right to de-commit the Community contribution (in part or for the total amount) allocated to the Project or to recover such contribution, if already paid. The amount that shall be de-committed or recovered will be calculated on the basis of the Project's implementation and expenditure progress.

Article 7 – Pre-Financing Payment

1. A pre-financing is granted to the Project equal to 30% of the Community contribution assigned to the Project, amounting to Euro, in the terms set out in Article 16.6 of General Conditions of this Contract and if the MA has received the 2 original copies of the IPA Subsidy Contract, duly signed by the LB and if the MA has yet received by the European Commission the Programme pre-financing, according to the Article 128 of Reg. (EC) 718/2007.
2. In compliance with Article 36 of Reg. (EC) 718/2007, if the pre-financing payment accrues interests in Euro, they must be considered as recipient's property and not revenue of the Project. The interests accrued are considered as National co-financing contribution and must be declared to the MA at least in the last Application for Reimbursement. In this event, the LB shall identify the amounts of pre-financing payment received in the bank account specified in the Annex VI of this Contract, and the related interests accrued. In case this is not possible, the accounting methods adopted by the LB must enable to check the pre-financing payment disbursed and the interests or other gains produced.
3. The pre-financing amount will be deducted in a due share from the AR. The final deduction will be made with the last AR.
4. If the pre-financing is not deducted before the payment of balance or before the Contract termination, the respective amounts must be returned to the Managing Authority in the same terms set out under Article 18 Recovery Procedure of the General Conditions of the IPA Subsidy Contract in force.
5. In order to limit the financial risks of the unrecovered pre-financing amount, in compliance with the Community or National compulsory rule, the Managing Authority may require to any private final beneficiary, before the payment, to provide a guarantee for up to the same amount required. The guarantee has to be provided in compliance with the rules set out in Art. 19 of the General Conditions of this Contract. *(insert if applicable to the project).*

Article 8 – Applications for Reimbursement

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1. The Lead Beneficiary must justify all payment requests annexing the DVEs issued by the FLCOs. Therefore, prior to filling in an AR, the Lead Beneficiary has to collect the paper copies of DVEs from all Project Partners including itself.
2. The Joint Technical Secretariat receives and processes the AR, together with the necessary supporting documents as described in the Management and Control Manual. The Managing Authority has the final responsibility of issuing the Payment Order and of sending a reimbursement order to the Treasury of the Programme in order to proceed with the reimbursement.
3. The Joint Technical Secretariat, the Managing Authority, the Certifying Authority, the National Authorities/Coordinator for the Programme in the Participating Countries and the European Commission may at any time ask for supplementary information concerning payment claims or the Project implementation progresses.
4. The Community contribution will be transferred to the bank account indicated by the Lead Beneficiary in the Annex VI.
5. Article 16 of the General Conditions of the IPA Subsidy Contract shall here apply.

Article 9 – Lead Beneficiary’s reporting obligations

1. As concern the monitoring implementation of the Project, the Lead Beneficiary must submit a Project Progress Report to the Managing Authority at least twice per year: by 31st October and 30th April.
2. In accordance with the obligation set out under Article 3.3 of the General Conditions of the IPA Subsidy Contract, the Lead Beneficiary provides the Project Progress and Final Report in accordance with the template properly supplied by the JTS.
3. Where the Lead Beneficiary fails to submit a Project Progress Report by the end of the 6 month deadline, the Lead Beneficiary must inform the Managing Authority of the reasons why it is unable to do so. However, it has to provide with the motivation a summary on progress done in the Project following the former Project Progress Report. If the Lead Beneficiary fails to justify the breach of this obligation, the Managing Authority may suspend any application for reimbursement or terminate the IPA Subsidy Contract in conformity with Article 12 "Termination of the Contract" of the General Conditions of the IPA Subsidy Contract.
4. The Lead Beneficiary has to submit the Project Final Report not later than 6 months from the Project expiration term and in any case in due time enabling the Programme closure.
5. The Lead Beneficiary undertakes to send to the MA a copy of any publicity and information material produced during the implementation of the Project by any of its Project’s partners.

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Article 10 – Mutual and explicit termination of contract

1. The Lead Beneficiary and the MA may agree that this Contract can no longer be executed effectively or appropriately, and terminate the IPA Subsidy Contract with a prior notice of 2 months.
2. Without any prejudice of cases envisaged under Article 12 “Termination of the contract” of the General Conditions of the IPA Subsidy Contract, the Managing Authority may require the termination of this Contract, without giving prior notice to the Lead Beneficiary and without being obligated to pay damages of any kind for doing so to any Project’s final beneficiary in the following cases:
 - a) where without any reasonable motivation, the Lead Beneficiary didn’t submit a Project Progress Report to the Managing Authority, at the 6 month deadline;
 - b) where the Lead Beneficiary breach, without justification, any of its obligations and, after being given notice by letter to comply with those obligations, and still fails to do so or to provide a satisfactory explanation within 30 days from the letter sent by the MA.
3. The proposal of termination of this Contract has to be previously accepted by the Joint Monitoring Committee of the Programme under a request of the Managing Authority.

Article 11 - Retention of documents

1. For the purpose of Art. 134 of the IPA Implementing Regulation, the Managing Authority and the Lead Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated among the Parties and to make them available for at least a period of 3 years following the closure of the IPA Adriatic CBC Programme.
2. This period shall be interrupted either in the case of legal proceedings or upon justified request by the European Commission.
3. The documents and records shall be kept in accordance with the detailed provisions on availability of documents laid down in Art. 134, paragraphs 2 to 7 of IPA Implementing Regulation.
4. Where a final beneficiary will act in the Project under any State aid regime, records regarding individual State aid shall be maintained for 10 years from the date on which the Community contribution was allocated. *(insert if applicable to the project)*

Article 12 – Interpretation clause

1. Subject to any expressed provision contrary to this Contract, the terms used in this Contract shall bear the same meaning as attributed to them in the European regulations applicable, in the General Conditions of the IPA Subsidy Contract, in the Programme Management and Control

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Manual and in the FLCOs Guide. In case of divergence, the document which is the highest in the hierarchy prevails.

2. Any following agreements that replace or give a different or contrary interpretation of provision of this Contract, shall be understood as amending, supplementing or replacing the specific provision, while the rest of this Contract will bind the Parties.

3. Any references to the Council or the Commission Regulations are meant for the valid version enforced of these regulations. Any modifications of these regulations shall directly apply to this Contract through regulation amendments.

4. Headings in this Contract have no legal significance and do not affect its interpretation.

5. Any general reference to days in this Contract is meant as calendar days.

6. The contracting language is English and in case of conflict of language interpretation, English language prevails on the national languages of the Parties.

7. Where there is conflict between the European Union rule and the national rule, the EU rule shall prevail.

8. Where the Project envisages Serbian final beneficiaries, the eligibility period of the expenditures incurred by these beneficiaries corresponds to the time limits laid down by the in force rule applicable to the Programme. *(insert if applicable to the project)*.

Article 13 – Partial invalidity and unintentional gaps

1. If a provision of this Contract is or becomes invalid or if this Contract contains unintentional gaps or misprints, this will not affect the validity of the other provisions of this Contract. The Parties will replace any invalid provision by a valid provision that is as close as possible to the purpose and intent of the invalid provision.

2. The Parties will fill any unintentional gap or misprint by a provision that better suits the purpose and intent of this Contract, in compliance with the rules applicable.

Article 14 – Review and Amendments

1. Any amendment to this Contract, including the Annexes thereto, must be set out in writing and duly signed as an addendum to the Contract document. If an amendment is requested by the Lead Beneficiary, it must submit the requirement to the Managing Authority 1 month before the date on which the amendment should enter into force, unless it is urgent and not predictable.

2. The *addendum* cannot be contrary to the JMC granting decision or to the enforced rules.

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3. Should any provision in this Contract be entirely or partly ineffective, the Parties will replace ineffective provision by an effective provision which matches as close as possible to the purpose of the ineffective provision.

4. Any *addendum* needs to be duly signed by the Parties. The modification will enter into force on the date of the Managing Authority signature.

Article 15 – Personal data treatment

1. According with Article 62 (2) of IPA Implementing Regulation, the MA shall process and use personal data of persons involved in the Project, in compliance with the requirements of the Regulation (EC) No. 45/2001 and enforced rules. Personal data shall only be processed for purposes of this Contract and stored at the MA’s premises in paper and/or in electronic version, as described in the Privacy Statement published at Programme website.

Article 16 - Contract succession

1. In case of legal succession involving the LB (for instance, when the LB changes its legal status or the name of the LB or the LB has been absorbed by a third body), it is obliged to transfer all the obligations under this Contract to the legal successor.

Article 17 – Notices

1. The MA fixes its domicile at the “Direzione Affari della Presidenza, Politiche Legislative e Comunitarie Programmazione, Parchi, Territorio, Valutazioni ambientali, Energia - Servizio Cooperazione Territoriale - IPA Adriatic” of Abruzzo Region, Via Salaria Antica Est no. 27, 67100 L’Aquila (AQ) - Italy.

2. The LB fixes its domicile at

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3. All communications among the Parties must be delivered to the abovementioned fixed domicile. In case of modification, the other Party shall be promptly informed on the new domicile.

4. All communication among the Parties shall be done in English language.

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Article 18 – Effectiveness of Contract obligations

1. As ruled under Article 3 above, the expiration term of this Contract is related to the Project implementing period. Notwithstanding, several obligations of this Contract will still have effect for the final beneficiaries after this term as regards the storing of documents, the duties of confidentiality, data treatment and subject to the controls and audit activities carried out by the competent bodies.
2. The Project implementing period covers the final reporting activities, as well.
3. On request of the LB, the MA may allow to defer the term of this Contract for up to a maximum of 180 days, under the conditions that:
 - a) the LB provides a prior written request to the MA containing proper justification;
 - b) the total duration of the Project has not exceeded, in any case, the third year following the last budget commitment of the Programme.

Article 19 – Fees and expenses

All the expenses regarding to this Contract as well as any additional taxes and charges are provided by the LB.

Article 20 – General Conditions to this Contract

Any provision set out in the General Conditions to the IPA Subsidy Contract shall apply as integral part of this Contract. In case of a conflict on the interpretation, a derogation provided with specific conditions of this Contract shall prevail. The Parties declare having taken knowledge and accept the General Conditions of the IPA Subsidy Contract, here annexed.

Article 21 - Final Provisions

1. A certified copy of this Contract shall be sent by the MA to the National Authority/Coordinator for the Programme for which the Country hosts one or more final beneficiaries involved in the Project:
 - a) In Albania: the Ministry of European Integration, Rruga “Papa Gjon Pali II” no. 3, Tirane;
 - b) In Bosnia and Herzegovina: the Directorate for European Integration of Council of Ministers of Bosnia and Herzegovina, Trg BiH 1, 71000 Sarajevo;
 - c) In Croatia: the Ministry of Regional Development and EU Funds, Directorate for Management of Operational Programmes, Račkoga 6, 10000 Zagreb;
 - d) In Greece: the Ministry of Development, Competitiveness and Shipping, Managing Authority of European Territorial Cooperation Programmes, Leof. Georgikis Scholis, 65 – 57001 Thessaloniki;

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- e) In Italy: the Ministry of Economic Development - Department for Development Policy – General Directorate for Community Regional Policy – Division VIII – Via Sicilia, 162/C – 00187 Roma;
- f) In Montenegro: the State Secretary for European Integration, Ministry of Foreign Affairs and European Integration, Stanka Dragojevića 2, 81000 Podgorica;
- g) In Serbia: the European Integration Office of Government of Serbia - Sector for Cross-Border and Transnational Cooperation Programmes, Nemanjina 34, Belgrade;
- h) In Slovenia: the Ministry of Economic Development and Technology, Kotnikova 5, SI – 1000 Ljubljana.

3. All Programme implementation documents will be available on the Programme website: <http://www.adriaticipacbc.org>. Any modifications of the above documents shall be published on the NEWS section of the Programme website.

Article 22 – Signature of Contract

This Contract consists of No. pages and is drawn up in 3 originals. All of them shall be duly signed by the LB and sent to the MA within and not later than 30 days from the receipt of the funding allocation letter.

Article 23 – Entry into force

This Contract shall enter into force on the date when it has been notified to the MA by registered letter with return receipt.

Place: L’Aquila - Italy, Date:

The Managing Authority signature:

Place:, Date:

The Lead Beneficiary signature:

LB stamp	MA stamp
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