

Interreg



Co-funded by
the European Union

Italy – Croatia

INTERREG ITALY-CROATIA PROGRAMME 2021 – 2027

Subsidy Contract template

1st Call for Proposals

(Version 1.0 – 17th November 2022)

**Italy – Croatia****Glossary**

AA	-	Audit Authority
AF	-	Application Form
EC	-	European Commission
ERDF	-	European Regional Development Fund
EU	-	European Union
FDR	-	Fondo di Rotazione (Italian Rotation Fund)
JEMS	-	Joint electronic monitoring system
JS	-	Joint Secretariat
LP	-	Lead Partner
MA	-	Managing Authority
MC	-	Monitoring Committee
MS	-	Member State
PA	-	Partnership Agreement
PP	-	Project Partner



Italy – Croatia

Index of articles

Article 1 - Legal framework applied

Article 2 - Language

Article 3 - Award of subsidy

Article 4 - Terms of funding

Article 5 - Duration of the project

Article 6 - Eligibility of costs

Article 7 - Representation of the project partnership, liability and obligations of the LP

Article 8 - Project and financial management (and State aid)

Article 9 - Financial control and Audit

Article 10 - Payment arrangements, reporting and Application for Reimbursement

Article 11 - Withdrawal or recovery of unduly paid-out funds

Article 12 - Information and communication

Article 13 - Data management and data protection

Article 14 - Amendments to the Subsidy Contract and other project changes

Article 15 - De-commitment

Article 16 - Durability and ownership of project outputs and results

Article 17 - Archiving of project documents

Article 18 - Assignment, legal succession

Article 19 - Complaints and litigation

Article 20 - Termination and repayment

Article 21 - Force majeure

Article 22 - Concluding provisions

Article 23 - Binding documents

Article 24 - Entry into force and expiration



**Subsidy Contract**

for the implementation of the Standard/Small-scale project: “Title ____ and acronym_____”)

*Project ID number:*_____

CUP (Unique Project Code) _____

within the

Interreg VI - A Italy-Croatia 2021-2027,

The Subsidy Contract (hereinafter referred as the “Contract”) binds the following parties as hereafter identified:

Regione del Veneto - Veneto Region - Unità Organizzativa AdG Italia-Croazia - Organizational Unit Italy – Croatia Managing Authority, Rio Tre Ponti Dorsoduro 3494/a – 30123, Venezia - Italy, VAT number 02392630279, Tax number: 80007580279, email.....- certified email.....-phone number....., acting as Managing Authority (MA) of the Programme, and represented for the purpose of signature by the Head of the MA _____(Name and Surname) born in _____ on _____, TAX number_____

and

Lead Partner of the project

Address: _____

Postcode: _____

Town: _____

Country: _____

Tax number: _____

Vat number: _____



Italy – Croatia

Email: _____

Certified email: _____

Phone number: _____

represented by _____ (Name and Surname of Legal Representative) born in _____ on _____, TAX number _____ (a copy of ID shall be attached to the Contract)

hereinafter referred to as Lead Partner (LP), meaning the lead beneficiary, as defined in Article 26 of Regulation (EU) 1059/2021.

The Contract is signed on the basis of the provisions as specified in art. 1 of this Contract and lays down the implementing arrangements for the Standard/Small-scale project “ _____ ” (Title and Acronym) ID _____.

Art. 1**Legal framework applied**

The Contract is concluded on the basis of the following legal provisions:

1. 2021-2027 key European legislation

- Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021, laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, and repealing Council Regulation (EC) No 1303/2013 and any amendment;



Italy – Croatia

- Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, and repealing Regulation (EC) No 1301/2013, and any amendment;
- Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (EC) No 1299/2013, and any amendment;
- Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds;
- Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union repealing Council Regulation (EC, Euratom) No 966/2012;
- Commission Decision C 2019 (3452) of 14.05.2019 laying down the guidelines for determining financial corrections to be to expenditure financed by the Union for non-compliance with the rules on public procurement;
- Articles 107 and 108 of the Treaty on the Functioning of the European Union; Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid; Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation – GBER) and its amendments , in particular Commission Regulation (EU) 2021/1237 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of state aid;



Italy – Croatia

- All other EU legislation and the underlying principles applicable to the LP and its Project Partners (hereinafter referred to as PPs) including the legislation laying down provisions on public procurement, on competition and entry into the markets, the protection of the environment, the equal opportunities between men and women;

2. Programme documents

- The Interreg VI A IT-HR - Italy-Croatia Interreg Programme adopted by the European Commission on 10th August 2022, Decision C(2022) 5935 final (CCI 2021TC16RFCB038) and further amendments;
- All manuals, guidelines and any other documents relevant for project implementation (e.g. Programme Implementation Manual) in their latest version as published on the Programme official website or handed over to the LP directly during the project implementation;
- The Standard/Small-scale Call for Proposal of the Interreg Italy Croatia CBC Programme as approved by MC during the 2nd MC meeting held in Lecce on 17/11/2022 and published in the official Programme website;
- The ranking lists approved by the MC during the XX MC meeting held in XXX on XXXX.

3. National law and regulations

- Decision n. 78 of 22th December 2021 of the Italian Interministerial Committee for Economic Programming and Sustainable Development (CIPESS) “2021-2027 Cohesion Policy Programming - Approval of the 2021-2027 partnership agreement proposal and definition of national public co-financing criteria for European programs for the 2021-2027 programming cycle”;
- Italian Law n. 241, 7th of August 1990 “The Italian Administrative Procedure Act”, and subsequent modifications and supplements;



Italy – Croatia

- Other national regulations of the Italian Republic and of the Republic of Croatia applicable to the LP and PPs in their respective countries;
- National law applicable to the LP and its PPS and their activities;

4. Additional Principles

- In case EU Regulations are in force for a certain topic, these take precedence. In the absence of EU Regulations and/or Programme specific regulations, national laws shall apply;
- In case of amendment of the aforementioned legal norms and documents, and any other documents of relevance for the contractual relationship the latest version shall apply.

Art. 2

Language

1. English is the working language of the Programme. The language of the present Contract is English, thus any official internal document of the project shall in principle be made available in the language of this Contract. All official correspondence with the MA and JS under this Contract shall be in English.
2. In case of a translation of this Contract entirely or in some parts or Annexes into a language other than English, the English version shall prevail.



Art. 3**Award of Subsidy**

1. The present Contract, drawn up in the form of a legally binding private agreement, establishes the funding conditions for all the final beneficiaries, partners of the project, hereby represented by the LP.
2. Based on the Application Form and annexed documents in their latest version as submitted by the LP through the Programme Joint electronic monitoring system (herein after referred as “Jems”), and in accordance with the approval decision and recommendations of the MC n. ____ of the _____, an earmarked subsidy is awarded by the MA to the LP for the project from funds of the Italy – Croatia Interreg Programme with Regional Decree n. _____ of _____ of the Director of the Italy –Croatia Department for the implementation of the project.

Maximum ERDF amount of funding awarded	xxxxx Euro (€)
Approved Partners’ co-financing	xxxxx Euro (€)
Approved project total budget	xxxxx Euro (€)

3. The final ERDF contribution awarded by the Programme consists of the 80% of the total eligible costs reported by each PP and verified by its respective controller.

Art. 4**Terms of funding**

1. The subsidy is awarded exclusively for the project as it is described in the latest version of the AF in accordance with the conditions set out by the MC. The AF and its annexes, as approved in compliance with the decision of the MC, form an integral part of this Contract.



Italy – Croatia

2. The disbursement of funds is subject to the condition that the European Commission and the Italian National Authority make the funds available to the extent described above and that all applicable EU and national rules are observed by the partnership. In case of non-availability of funds the MA cannot be deemed responsible for late or missing payments.
3. If the European Commission fails to make the funds available due to reasons that are outside of the sphere of influence of the Programme, the MA will necessarily withdraw from this Contract. No claim might be made by the LP or the PPs against MA. In such a case the LP will be duly notified by the MA and guided on the respective steps to be taken.
4. The LP accepts the subsidy and undertakes to carry out the project under its own responsibility as laid out in the relevant legislations outlined in Art. 1 or the Programme rules based thereon.
5. Should it become evident that the project will not spend the amount of ERDF contribution awarded to it by the MC, the MC may decide to reduce the award accordingly following the procedure as specified in the “Programme Implementation Manual”.
6. The disbursement of funds is subject to the condition that this Subsidy Contract is signed by the parties.
7. In case one or more output or result, as foreseen in the latest approved version of the AF, are not successfully reached, corrective measures may be put in place to increase the project performance as well as to minimize the impact at Programme level (e.g. adaptation of the project to the changed situation) following the procedures specified in the “Programme Implementation Manual”.
8. In case a project fails to respect the contractual arrangements on timing, budget absorption and achievement of outputs and results, as defined in the latest approved version of the AF, the Programme may also reduce the ERDF contribution allocated to the project or, if necessary, stop the project by terminating the Subsidy Contract.



Art. 5**Duration of the project**

1. According to the AF, the project has a duration of XX months. The project activities, that should not be started before the submission of the application, have to be carried out and finalized within the project implementation period according to the following mandatory schedule:
 - start date: _____
 - end date: _____

therefore, the project expenditure has to be incurred within this period, with the sole exception of preparation and closure costs.

2. Administrative duties of the LP and PPs related to the closure of the project shall take place over a period of three months after the project end date. Further specifications on project closure are laid out in the “Programme Implementation Manual”.

Art. 6**Eligibility of costs**

1. Costs which qualify co-financing from the Programme consist of eligible costs needed for implementing activities, achieve the project’s outputs and results as planned in the AF. Rules for eligibility of costs are laid down in the “Programme Implementation Manual”.

To be co-financed by the Programme, project expenditure has to comply with the methods for determining the costs of the project (real costs or simplified cost options) for each category as defined in the “Programme Implementation Manual”.



Art. 7**Representation of the project partnership, liability and obligations of the LP**

1. The LP guarantees that it is entitled to represent the partners participating in the project and that it has established with the project partners the division of mutual responsibilities in a partnership agreement.
2. The LP shall be responsible for ensuring the start and the efficient implementation phase of the project according to the time schedule in the AF, taking the responsibility of the entire project cycle.
3. The LP guarantees that the project implementation complies with the legal framework pursuant art. 1 of this Contract and with all the relevant legal and other provisions under the law which applies to the LP organisation and to its PPs and their activities and that all necessary documentation (some examples non comprehensive/ non-exhaustive building permissions, environmental impact assessment statements, feasibility studies) have been obtained.
4. The LP shall provide the PPs with all information and documents needed for a sound and legally correct project implementation including requirements related to communication and publicity.
5. In accordance with Article 26(1) of Interreg Regulation (EU) No 1059/2021, the LP bears the overall financial and legal responsibility for the entire project and for the PPs. The LP represents the partnership and acts as the only direct contact between the project partnership and the MA/JS.
6. The LP shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project 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 the PPs, or as a result of violation of a third party's rights.
7. The MA cannot under any circumstances or for any reason whatsoever be held liable for damage or injury to the staff or to the property of the LP or one of its PPs while the project is being carried



Italy – Croatia

out. The MA can therefore not accept any claim for compensation or increase in payment in connection with such damage or injury.

8. The LP is liable towards the MA if obligations as laid out in this Contract or in applicable European Union's or National laws are not fulfilled by the project partnership in the same way as for its own conduct.
9. The LP shall ensure that all project documentation is kept available for a period of five years following the project closure or otherwise required by the specific legislation (e.g. State Aid). The time period referred to shall be interrupted either in the case of legal proceedings or by a duly justified request from the European Commission.
10. 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 those funds. The LP is entitled to ask repayment from its PPs as stipulated in Article 52 (3) of Interreg Regulation (EU) No 1059/2021.

Art. 8**Project and financial management (and State aid)**

- 1) The LP undertakes the responsibility:
 - a) to ensure a professional management of the project;
 - b) to coordinate the start, implementation and closure of the project according to the time schedule as indicated in this contract and the work plan included in the AF;
 - c) to install a separate account system for the settlement of the present project and to safeguard that any received national subsidy can be clearly traced;
 - d) to submit the progress reports within the reporting deadlines established by the Programme, to ensure that the expenditure claimed by each project participant has been controlled to verify that



Italy – Croatia

it has been used for the purpose of implementing the project and that it corresponds to the activities agreed between the project participants and set out in the project AF;

- e) to ensure the implementation of the entire project in compliance with the European Union and national legislation, especially on procurement and state aid as well as the rules and procedures set in “Programme Implementation Manual” and to ensure that also the project partners respect these rules;
- f) to inform the MA and JS immediately about all circumstances that delay, hinder or impede the realisation of the project as well as all circumstances that mean a change of the disbursement conditions and frameworks as laid down in this contract (e.g. loss of a project partner, making use of additional subsidies) or circumstances which entitle the MA to reduce payment or demand repayment of the subsidy wholly or in part;
- g) to provide the MA and JS with any information requested without any delay;
- h) to provide data in Jems in compliance with this contract and according to the MA and JS instructions;
- i) to submit the main project outputs and deliverables following the procedure set in the “Programme Implementation Manual”. One specimen of each developed material shall be stored at the lead partner’s or project partner' premises for control and audit purpose;
- j) to invite the MA/JS to participate in project Steering Committee meetings as an observer and send minutes of these meetings to the MA/JS;
- k) to support the Programme in its information, communication and evaluation activities (e.g. join project exhibitions, submit texts for programme website and publications, participation in surveys);



Italy – Croatia

2) (for State aid relevant projects)

The LP ensures that, in case of ERDF or any other public contribution granted by the Programme under State aid, the LP and its PPs will respect all necessary requirements provided for in the relevant regulation, as listed under Article 1. The LP is obliged to contractually forward this clause in its entirety to all the PPs through the signature of the Partnership Agreement.

In particular, the following State aid provisions apply:

(specific contractual conditions on State aid elaborated for the project following the project assessment).

Art. 9

Financial controls and audits

1. The Member States included in the Programme are responsible for the designation of the controllers that verify that the expenditure declared by each partner participating in a project complies with the applicable law and the Programme rules and that the funded products and services were delivered and paid for.
2. The European Commission, the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA) and the auditing bodies of the participating EU Member States or other national public auditing bodies as well as the Programme AA, the MA and the JS are entitled to audit the proper use of funds by the LP or by the PPs or to arrange for such an audit to be carried out by authorized professionals. The LP and PPs will be notified in due time about any audit to be carried out on their expenditure.
3. The LP as well as PPs will produce all documents required for the above controls and audit, provide necessary information and give access to their premises, to their accounting books, to supporting documents and to all other documentation related to the project.
4. The MA has the right to withhold the payments to the LP until all the required information and documentation has been delivered.



5. In case the AA issues statements on the National control systems and defines problems of systemic character the MA has a right to withhold the payments to the LP until the issue has been solved.

Art. 10

Payment arrangements, reporting and Application for Reimbursement

1. The LP may only request payments on behalf of the project by following the reporting procedure defined in the “Programme Implementation Manual”.
2. The LP has to present progress report according to the timeframe below. Changes of these periods require prior approval of the MA.
3. The financial part of the report shall comprise the amount indicated in all controller’s certificates related to the project expenditure that has been paid within the relevant reporting period and that can be objectively and spatially imputed to the project. Project expenditure must be verified by the identified controller on a risk-based methodology. To this end, the LP has the responsibility to check that the control documents are correct and complete, ensuring that the expenditure presented by all PPs have been verified by the controllers appointed according to the specificities of the national system. The activity part of the report shall inform about the project progress (work packages, deviations in comparison to planned activities, achievement of the project indicators and the envisaged next steps).
4. The LP shall make sure that the project progress is in line with the work plan per work packages, the time schedule and the approved budget, as indicated in the AF.
5. The progress reports and the final report have to be submitted according to the timeframe indicated in the following table:



Italy – Croatia

Reporting period	Timeframe	Deadline for drafting and presentation of the Progress Reports/Final Report	Spending forecast (eligible costs to be reported in the given reporting period)
1			EUR
2			EUR

6. The Managing Authority, for duly justified cases, reserves the right to modify the Reporting periods, giving information to the LP well in advance.
7. The final progress report is due to the JS/MA within three months after the project closure date, unless differently communicated by the MA. It shall report the last project activities implemented and an additional part focused on the main project results and outputs as well as its impact on the cooperation area.
8. After having performed the necessary checks aimed to ensure the accuracy and correctness of the payment claim submitted by the beneficiaries, the MA, subject to the availability of funding, issues the payment of the ERDF as well as of the FDR contribution according to the provisions of the article 3 of this contract. The funds will be disbursed in EURO only. Any cost associated to the exchange rate will be borne by the beneficiaries.
9. (Italian LP) The MA shall assign and transfer to the LP the ERFD funding for all PPs as well as the FDR for Italian PPs. Details are regulated in the “Programme Implementation Manual”

OR

(Croatian LP) In accordance with art. 26 (2) of Interreg Regulation (EU) No 1059/2021 the LP shall receive by the MA the ERDF only for the Croatian PPs while the Italian PP with the highest budget shall



Italy – Croatia

receive both the ERDF and the FDR for all the Italian PPs. Details are regulated in the “Programme Implementation Manual”.

10. The LP takes OR the LP and the Italian PP with highest budget take responsibility for transferring the due contribution to the PPs as stipulated in the ad-hoc agreement named Partnership Agreement (hereinafter referred to as “PA”) signed by LP and all PPs.

11. The subsidy will be transferred to the account indicated by the LP OR (in case of Croatian LP) by the LP and the concerned Italian PP.

Art. 11**Withdrawal or recovery of unduly paid-out funds**

1. In case the MA discovers any unduly paid out funds (e.g. due to administrative errors and clerical mistakes or irregularities, a breach of contract or infringement of the legal provisions as laid out in Art. 1 of this Contract) or in case the MA is notified of such cases, the MA shall, if necessary in consultation with the respective MS concerned and by informing the MC, demand from the LP the repayment of the subsidy in whole or in part.
2. In case factors behind the recovery procedure show violation of the present Contract the MA will consider the termination of the Contract as last resort (see Art. 20 of this Contract). In any case the partnership will be officially convened and heard before taking a final decision on the termination of the Contract.

Art. 12**Information and communication**

1. Any notice of publication by the project must specify that the project has received a subsidy from the Programme funds. In any public material used to promote or disseminate the project activities, whether printed or electronically available, the use of the Programme logo and the EU emblem (flag)



Italy – Croatia

together with reference to the EU in compliance with the requirements set in the “Programme Implementation Manual” and any other guidelines issued by the Programme on the matter.

2. The LP takes full responsibility for the content of any notice, publication or publicity product provided to the MA, which has been developed by the LP, any of the PPs, or third parties on behalf of the LP or the PPs. Should a third party claim compensation for damages (e.g. due to an infringement of intellectual property rights), the LP will indemnify the MA in case the MA suffers any damage because of the content of publicity and information material.

3. In line with Article 49 (3) of the CPR, the MA is authorized to publish the following information:

- the name and identification data of the LP and its PP(s);
- the name of the project;
- the project summary including project purposes and its expected achievements;
- abstract of progress reports with the project actual achievements;
- start date of the project;
- the total project budget (ERDF contribution + National co-financing + other public and private funding + PPs own resources);
- the geographical location of the project;
- summary description of activities carried out included in the Progress Reports and the Final Report.

4. The LP, on behalf of the project partners, herewith takes note that the MA/JS, on behalf of the Programme bodies and of other Programme promoters at national level, are entitled to use the outputs and result of the project for information and communication actions in respect of the Programme.



Italy – Croatia

5. The LP agrees that information about outputs is forwarded by the MA to other Programme bodies as well as the Member States taking part in the Programme to use this material to showcase how the subsidy is used.
6. The LP is obliged to inform the JS/MA on possible sensitive/confidential issues that cannot be published in the Programme newsletters and website.
7. The LP and each PP are obliged to ensure that at least a short description of the project is available on the beneficiary's official website during project implementation and to closely apply all the rules related to Communication available in the "Programme Implementation Manual". Once the project is concluded, this information must include the main results and outputs available for dissemination.
8. In the spirit of cooperation and exchange, the LP and PPS must ensure that the outputs and results produced as a result of the project are in the public interest and publicly available. They should be accessible and available to the general public in a usable format. The MA/JS and any relevant Programme, EU and national body can use them for information and communication purposes in the framework of the Programme.
9. The LP ensures that it has all right to use any pre-existing intellectual property rights, if necessary for the implementation of the project.

Art. 13**Data management and data protection**

1. Any personal data under the co-financing contract must be processed by the MA/JS or other relevant Programme bodies in accordance with the Regulation (EU) 2016/679 (General Data Protection Regulation/GDPR.) on the protection of natural person with regard to the processing of personal data and on the free movement of such data.



Italy – Croatia

2. In accordance with Article 4 of the CPR, the MA, other Programme bodies and the Commission must be allowed to process data, where necessary for the purpose of carrying out their respective obligations under the body rules and regulations referred to in Article 1, in particular for monitoring, reporting, communication, publication, evaluation, financial management, verifications and audits and, where applicable, for determining the eligibility of the participants.

3. The MA may transfer project and/ or personal data to relevant Programme bodies and national authorities for the same purposes as listed in paragraph 2 of this article.

Art. 14**Amendments to the Subsidy Contract and other project changes**

1. The LP shall be allowed to carry out project changes under the conditions set out below.
2. Changes in the budget are allowed as long as the maximum amount of ERDF contribution awarded is not exceeded. The LP is allowed to carry out minor budget reallocations as set up in “Programme Implementation Manual”.
3. Budget related changes exceeding the flexibility provisions, partnership changes and significant content-related changes that are resulting in major changes in the project’s activities, outputs and/or results, require a formal approval by the Programme as set up in “Programme Implementation Manual”.
4. Amendments and supplements to this Contract as a consequence of the project changes, may be required in the following cases:
 - Modification of budget (reallocation above the allowed flexibility rules and reallocations between PPs);



Italy – Croatia

- Changes in the content of the project (including additional or reduced project activities, deliverables and outputs), main characteristics of planned outputs and investments, project objectives and results (going beyond a mere adjustment of the work plan);
- Changes in the partnership (e.g. withdrawal, replacement of a partner);
- Prolongation of the project duration.

Art. 15

De- commitment

1. The European Commission shall automatically de-commit any part of a budget commitment of a Programme that has not been used according to the Article 105 of Regulation (EU) No 1060/2021. This de-commitment risk on Programme level is consequently considered on project level.
2. Based on the fact that the payments by the European Commission to the MA will only be made in accordance with the corresponding budget commitments, the LP must report on the expenditure as foreseen in the financial plan of the AF for each reporting period.
3. If financial performance does not meet the forecast as approved in the AF, the project may be subject to de-commitment as specified in “Programme Implementation Manual”.

Art. 16

Durability and ownership of project outputs and results

1. Ownership, title, industrial and intellectual property right related to the results of the project shall, depending on the applicable national law and/or the PA, rest with the LP and/or PPs.
2. If the project envisages investments in infrastructures or productive investments it is subject to the provisions of Article 65 of Regulation (EU) No 1060/2021. Should any of the conditions set by



the mentioned Regulation not be met at a certain point of time, the MA/JS must be immediately informed by the concerned LP or PP. The MA will recover the unduly paid ERDF contribution in proportion to the period for which the requirements have not been met.

3. The LP ensures, through the PA, that results and outcomes of the project are joint property of all PPs. The PA also ensures that the specific national rules and instructions relevant for the ownership rights (title, intellectual and industrial property rights) of the project outcomes and results are taken into account when necessary.
4. The LP ensures that the results of the project, especially any study, analysis or database produced during the implementation shall be made available to the public in the Programme official web site, in open format, in order to guarantee a widespread dissemination of the project's outcomes in accordance with the approved AF.
5. The MA reserves the right to use the outputs and results for information and communication actions of the Programme.

Art. 17

Archiving of project documents

1. The LP/PPs are at all times obliged to retain for audit purposes all official files, documents and data about the project in original and possibly on customary data storage media (in the form of digital copies, microfiches and electronic versions) in a safe and orderly manner for 5 years after the closure of the project. Longer statutory retention periods stated by national law remain unaffected.
2. The LP/PPs are obliged to store the invoices and to keep them clearly traceable in the bookkeeping for the FLC, controls and audit purposes and maintain records of invoices and bodies holding



Italy – Croatia

documentation in the audit trail in accordance with Article 82 of Regulation (EU) No 1060/2021.

The maintained and updated records/lists are made available to the JS/MA.

3. In addition LP/PPs must assist the MA to comply with document retention requirements and with all the other formalities required under any applicable State Aid rules in force (e.g. registration in the National State Aid Register). Where projects are operating under a State Aid scheme, LP/PPs must maintain detailed records with the information and supporting documentation necessary to establish that all the conditions laid down in the Regulation are fulfilled. Such records must be kept for 10 years after the last aid is granted under the scheme.

Art. 18**Assignment, legal succession**

1. The MA is entitled at any time to assign its rights and duties. In case of assignment the MA will inform the LP without delay. In case of legal succession the MA is obliged to transfer all duties under the present Contract to the legal successor.
2. The LP is in exceptional cases and in well-founded circumstances allowed to assign its duties and rights under this Contract only after prior written consent of the MA and the MC. The procedure is further specified in “Programme Implementation Manual”.
3. Where according to national laws the legal personality does not change and where all assets of the LP or a PP are taken over so that a deterioration of the financial capacity of the acquiring institution is not to be expected (i.e. in cases of universal succession) prior consent by the MC is not necessary. The LP, however, will submit related information together with all documents that are necessary to analyse the legal case in due time to the MA/JS. If the MA/JS come to the conclusion that the conditions as stated above are not fulfilled (e.g. in cases of a singular succession), the LP will be informed that a partner change procedure as stated in Article 14 of this contract has to be initiated.



Italy – Croatia

4. In case of assignment or any form of legal succession of a LP or PP the LP or PP concerned is obliged to assign all rights and obligations and all project related documents to each and any assignee or legal successor. Related reports to the MA/JS as requested in the Programme documents have to be forwarded by the LP.

Art. 19**Complaints and litigation**

1. Any complaints against acts, omission and/or decision of the MA/JS during the project implementation phase or by the MC decisions on the basis of the present Contract shall be submitted by the LP on behalf of the partnership to the MA for the examination as indicated in “Programme Implementation Manual”.
2. The LP, as well as the interested partner, can file a formal complaint against act, omissions and/or decisions of control and audit bodies (controllers, auditors, etc.) related to the national control system following the procedures set in place at national and EU level.
3. Further specification on the complaint procedures set-up for the Programme are laid out in “Programme Implementation Manual”.
4. This Contract is governed by and construed in accordance with the laws of the Republic of Italy. Before instituting court proceedings, generally the parties agree to find an amicable and mutually acceptable solution. In the absence of amicable settlement and in case of litigation the legal proceedings will be held in Italy; the venue is the Court in Venezia.



Art. 20**Termination and repayment**

1. The MA is entitled, in whole or in part, to terminate this Contract and/or to demand repayment of subsidy in any of the following circumstances:
 - the LP has obtained the subsidy through false or incomplete statements or through forged documents;
 - the LP and PPs receive additional funding from the European Union for all or part of the project expenditure reported under the Programme during the period of the implementation of the project;
 - the project has not been or cannot be implemented, or it has not been or cannot be implemented in due time;
 - the project has not started in due time and even a written reminder by the MA/JS remains unsuccessful;
 - a change has occurred (e.g. with regard to nature, scale, ownership, cost, timing, partnership or completion of the project) that has put at risk the achievement of the results planned and stated in the latest version of the approved AF;
 - the project outputs and results are not in line with those described in the approved AF;
 - 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;
 - the LP has infringed its duty to ask for prior written approval where indicated by this Contract or has failed to immediately report events delaying or preventing the implementation of the project funded or any circumstances that mean a change of the disbursement conditions and frameworks as laid down in this Contract;



Italy – Croatia

- the LP or its PPs obstructed or prevented the financial control and auditing procedures as indicated at Article 9 of this Contract;
 - the amount of funding awarded has been partially or entirely used for purposes other than those agreed upon;
 - insolvency proceedings are instituted against the assets of the LP or one of the PPs or insolvency proceedings are dismissed due to lack of assets for cost recovery or the LP or one of the PPs closes down or liquidates, provided that this appears to prevent or risk the achievement of the project objectives;
 - the LP does not make available the outputs to the MA;
 - regulation of EU Law or national regulations have been violated;
 - exceeding the permissible limits of the funding regulations if the LP wholly or partly sells, leases or lets the project outputs/results to a third party;
 - the ownership of project outputs having the character of investments in infrastructure or productive investments did not remain with the concerned LP and/or PPs for the timeframe and under the conditions set in Article 65 of Regulation (EU) No 1060/2021;
 - the LP and/or any of the PPs is in the situation of undertaking in difficulty, within the meaning of point (18) of Article 2 of Regulation N. 651/2014 as well as in compliance with Article 7 (1) (d) of the ERDF Regulation;
 - the LP has failed to fulfil any other conditions or requirements for assistance stipulated in this Contract and the provisions it is based on.
2. Prior to or instead of terminating the Contract, the MA may suspend payments as a precautionary measure, without prior notice. This measure shall be lifted as soon as the reasons for such measures cease to apply or requested proof can be furnished.



Italy – Croatia

3. If the MA exercises its right of termination and the LP is demanded full or partial repayment of amounts already paid, the LP is obliged to transfer the repayment amount to the MA. The repayment amount is due within the date as stated in the letter by which the MA asserts the repayment claim.
4. If the MA exercises its right of termination, offsetting by the LP is excluded unless its claim is undisputed or recognized by declaratory judgment.
5. After termination of this Contract, the LP's obligations and liabilities remain.
6. Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the LP.
7. If any of the circumstances indicated in the aforementioned par. 1 occur before the full amount of subsidy has been paid to the LP, payments may be discontinued and there shall be no claims for payment of the remaining amount.
8. Any further legal claims shall remain unaffected by the above provisions.

Art. 21**Force majeure**

1. Force majeure shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this Contract, which is beyond the control of the LP and PPs and cannot be overcome despite their reasonable endeavours. Any default of a product or service or delays in making them available for the purpose of performing this Contract and affecting the project performance, including, for instance, anomalies in the functioning or performance of product or services, labour disputes, strikes or financial difficulties do not constitute force majeure.



Italy – Croatia

2. If the LP or PPs are subject to force majeure liable to affect the fulfilment of its/their obligations under this Contract, the LP shall notify the MA/JS without delay, stating the nature, likely duration and foreseeable effects.
3. If the MA is subject to force majeure liable to affect the fulfilment of its obligations within the framework of this Subsidy Contract, it shall notify it to the LP without delay, stating the nature, likely duration and foreseeable effects.
4. Neither the MA nor the LP or the PPs shall be considered to be in breach of their obligations to execute the project if it has been prevented from complying by force majeure. Where LP or PPs cannot fulfil their obligations to execute the project due to force majeure, grant for accepted eligible expenditure occurred may be made only for those activities which have actually been executed up to the date of the event identified as force majeure. All necessary measures shall be taken to limit damage to the minimum.

Art. 22**Concluding provisions**

1. According to the Italian Law, the present Contract is subject to the official internal registration at the responsible Office of the Veneto Region (Ufficiale Rogante).
2. According to the Italian fiscal regulation, VAT treatment and the stamp duty do not apply as the subsidy of the present Contract does not consist of a payment due amount.
3. According to the Italian Law, the present Contract is subject to registration only in the event of its use, in accordance with the art. 4 “Tariffa parte seconda” of the Italian Presidential Decree n.131/86 and in fixed measure, as regards the stamp duty, with the article 16 of the Annex B of the Italian Presidential Decree n. 642/1972.



Italy – Croatia

4. All additional expenses, charges and taxes deriving from entering into, and executing, the present Contract shall be borne by the LP.
5. The specific requirements set by the legal framework of this Contract concerning e.g. archiving, ownership rights, audit trail, audit and publicity measures are valid for the LP and PPs beyond the expiration date of the Subsidy Contract.
6. If any provision in this Contract should be wholly or partly ineffective, the parties will replace ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision. This procedure is conducted in written form by the parties concerned. In case of differences that are not ruled by this Contract the parties concerned will agree on aiming to find a mutual consent on the issue.
7. For matters not expressly provided in the present Contract the parties submit to the laws in force as listed in the legal framework herein and, where applicable, to the Italian Civil Code.

Art. 23**Binding documents**

The following AF is binding and it is the reference document of the Contract:

The AF as approved in compliance with decision of the MC of _____ version of _____ submitted on _____ (ID request: _____)

Art. 24**Entry into force and expiration**

1. The present Contract shall enter into force as from the date of signature by the MA under the condition that the LP has already submitted the signed partnership agreement to the JS and the JS



Italy – Croatia

in coordination with the MA has verified that it includes, as minimum contents, the rules set in the template of partnership agreement provided by the Programme.

2. The LP must submit the signed Subsidy Contract to the MA within 30 days from the date of receiving of the Contract by the MA. After one month the offer of the MA loses any relevance unless the MA agrees to a prolongation of this period of time.
3. The Contract is signed digitally where due and whenever possible or, if not possible, with hand-written signature in three original copies of which one is kept by the LP and two by the MA.
4. Without prejudice to the provision concerning the implementation of the project and the eligibility of expenditure as well as to the rules governing State Aid, this Contract shall remain into force until the LP has discharged in full its obligations towards the MA in accordance with obligations on availability of documents as defined in Article 82 of Regulation (EU) No 1060/2021.

Place, date

Place, date

For the MA of Interreg VI-A Italy-Croatia Programme,

For the Lead Partner,

Name and function

Name and function

