

THE SWISS – CROATIAN COOPERATION PROGRAMME

RESEARCH FUND AGREEMENT

BETWEEN

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION

AND

**THE MINISTRY OF REGIONAL DEVELOPMENT AND EU FUNDS
AS THE NATIONAL COORDINATION UNIT**

ON

THE GRANT FOR

THE PROJECT “Croatian-Swiss Research Programme”

TO BE IMPLEMENTED DURING THE PERIOD

10 JULY 2017 – 31 JULY 2023

The Swiss Federal council (Hereinafter referred to as "Switzerland") through the Swiss Agency for Development and Cooperation, hereinafter referred to as "SDC" and

The Government of the Republic of Croatia (Hereinafter referred to as "Croatia" through the Ministry of Regional Development and EU Funds of the Republic of Croatia, hereinafter referred to as the "NCU",

Referring to the Framework Agreement between the Swiss Federal Council and the Government of the Republic of Croatia concerning the implementation of the Swiss-Croatian Cooperation Programme to reduce economic and social disparities within the enlarged European Union, concluded on 30 June 2015,

Considering the Swiss Grant for the Project "Croatian-Swiss Research Programme" in the Republic of Croatia,

have agreed as follows:

Article 1 Definitions

In this Project Agreement, unless the context otherwise requires, the following terms shall have the following meaning:

"Framework Agreement" means the Agreement between the Swiss Federal Council and the Government of the Republic of Croatia concerning the implementation of the Swiss-Croatian Cooperation Programme to reduce economic and social disparities within the enlarged European Union (EU), concluded on 30th June 2015;

"Contribution" means the non-reimbursable financial contribution granted by Switzerland under the Framework Agreement;

"Research Fund Agreement" means the Agreement between the Swiss Agency for Development and Cooperation (SDC) and the Ministry of Regional Development and EU Funds of Croatia acting as the National Coordination Unit (NCU) which lays down the rights and obligations between the Parties with respect to the Project;

"Grant" means the non-reimbursable financial contribution granted by Switzerland under this Project Agreement;

"Project" stands for the Croatian Swiss Research Programme (CSRP) and means all activities undertaken under this Research Fund Agreement;

"Joint Research Project" (JRP) represents a research project jointly implemented by a group of researchers from Croatia and Switzerland;

"National Coordination Unit" (NCU) means the Croatian Competent Authority in charge of the coordination of the Swiss-Croatian Cooperation Programme as defined in Art. 9 of the Framework Agreement;

"Intermediate Body" (IB) is the Swiss National Science Foundation (SNSF) mandated by SDC for the management of the Project;

“Executing Agency” is the Swiss National Science Foundation (SNSF) mandated by the Swiss Agency for Development and Cooperation (SDC) in accordance with the Annex I of the Framework Agreement to implement the Project financed under this Project Agreement;

“Croatian Science Foundation” (CSF) is the partner of the SNSF in Croatia for the implementation of the Project; it carries out duties on behalf of the NCU with regard to Principal Investigators in Croatia;

“Principal investigator” represents the leader of a group of researchers from Croatia or Switzerland applying for a Joint Research Project;

“Paying Authority” means the Croatian Ministry of Finance ensuring on the Croatian side appropriate financial control within the Swiss-Croatian Cooperation Programme as stipulated in Art. 5.4, Annex 2 of the Framework Agreement;

“Parties” of the Project Agreement means the NCU representing the Croatian side and SDC representing the Swiss side;

“Audit Organisation” means an internal or external certified audit organisation which carries out financial audits during and after Project implementation on behalf of the SNSF in Switzerland and the NCU in Croatia;

“Mandate Agreement” means the Agreement between the SDC and the SNSF that acts as Swiss IB for the implementation of the Project;

“Cooperation Agreement” means the Memorandum of Understanding signed between SNSF and CSF in order to cooperate to implement the CSRP;

“Final Project Proposal” means the project proposal submitted to SDC in view of the final approval of a project to be implemented in the framework of the Swiss-Croatian Cooperation Programme and identified in Annex 1 of the Framework Agreement related to Human and social development.

Article 2

Objectives and Scope of the Project

- 2.1. The objective of the Project is to contribute to the knowledge based Croatian economy through the enhancement of the knowledge base and to strengthen the research cooperation between Croatia and Switzerland through know-how and technology transfer.
- 2.2. The Final Project Proposal as of 21 June 2016 defines the scope of the Project. The SDC Decision Letter lays down conditions and/or modalities related to SDC's financing decision.
- 2.3. The Project has to be implemented in accordance with the following documents, listed by order of legal applicability:
 - the Framework Agreement and its Annexes
 - the present Research Fund Agreement and its Annexes:

Annex 1: SDC Project Decision Letter dated 21 November 2016 with modalities and conditions related to the Decision on the Final Project Proposal;

Annex 2: Budget;

Annex 3: Logframe¹.

Article 3 Amount and Utilization

- 3.1 Switzerland shall provide to Croatia a Grant **amounting to maximum CHF 4.000.000,00 (four million Swiss Francs)** for the implementation of the Project defined in Art. 2 of this Project Agreement.
- 3.2 The Grant shall cover a **maximum of 85,65%** of the total eligible costs of the Project in Swiss Francs. This percentage shall never be exceeded during the Project implementation. The NCU shall ensure the timely provision of the co-financing of a **minimum of 14,35%** of the total eligible costs of the Project in Swiss Francs by domestic sources.
- 3.3 As stipulated in Art. 7.1 of the Framework Agreement, the value added tax (VAT) shall be considered as an eligible cost only if it is genuinely and definitively borne by the CSF or the JRP. VAT, which is recoverable, by whatever means, shall not be considered eligible even if it is not actually recovered by the Executing Agency or by the final recipient.
- 3.4 As stipulated in Art. 7.2 of the Framework Agreement, other levies, taxes or charges, in particular direct taxes and social security contributions on eligible salaries and wages, shall constitute eligible costs only if they are genuinely and definitively borne by the Executing Agency.
- 3.5 In addition to Art. 3.3 and 3.4, the following costs shall not be eligible for grant support: expenditures incurred before the signing of this Project Agreement by the Parties, interests on debt and the purchase of real estate.
- 3.6 The final date of eligibility of costs for activities related to the Project corresponds to the end date in Art. 28.2. Eligibility of costs for reporting, auditing and evaluation ends six months after the end date in Art 28.2 but not later than 10 December 2024. The last Reimbursement Requests must have been received by SDC not later than four months after the final date of eligibility of costs.
- 3.7 During the Project implementation, the Parties shall mutually agree on the use of the unutilised portion of the Grant and on the respective co-financing.

¹ Having in mind that the logframe is an operational tool, any alignment shall prior to execution be consulted with the SDC and NCU. A note to the file shall be recorded and the amendment shall be effective as from the date of the SDC/NCU approval.

Article 4

Payment Procedures

- 4.1 SDC provides working capital advances to the SNSF for their management costs and for part of the running costs (as per Art. 12) of the JRPs.
- 4.2 With the exception of the first payment, a prerequisite for payments is the SDC's approval of the relevant progress and financial reports submitted by the SNSF and covering the previous calendar year. The Mandate Agreement defines the procedures and responsibilities of the SNSF.
- 4.3 The SDC informs the NCU at latest one month after the end of the year in question on the payments made to the IB. The payments reported by SDC shall be included in the annual reports on the Swiss-Croatian Cooperation Programme as stipulated in Art. 8 of the Framework Agreement.
- 4.4 The financial reports submitted by the SNSF to SDC and disbursements related to this Research Fund Agreement shall be in Swiss Francs.
- 4.5 A final disbursement shall be made by SDC after fulfilment of all contractual obligations by the SNSF after the submission and upon approval by SDC requested reports.

Article 5

Procurement

- 5.1 Procurement under the Project is to be made in in compliance with the respective national law and regulations, with the respective EU directives and with the Framework Agreement, Annex 2, Art. 3.3.²
- 5.2 Tender documents shall contain an integrity clause in order to assure transparency and to prevent corruption.
- 5.3 The Executing Agency is responsible for the publication of all tenders. This task can be delegated to the CSF for the publication in Croatia. It shall provide to the SDC and the NCU a copy of the tender announcement no later than five days before publication in Croatia.
- 5.4 This announcement contains the information as requested according to the respective national and European regulations, establishing standard forms for the publication of notices in the framework of public procurement procedures. The corresponding tender announcement shall be disclosed simultaneously in Croatia and Switzerland.
- 5.5 For public tenders within the scope of the relevant EU directives on public procurement, an English translation of the tender final evaluation report shall be provided by the Executing Agency to the SDC and the NCU for information at the latest 30 calendar days after the award of the contract. The Executing Agency shall ensure the English translation of the final evaluation report of the tender.

² The process of awarding grants for research projects does not qualify as procurement.

5.6 SDC requests a copy of the draft tender documents for tenders above the threshold of CHF 500'000 for non-objection prior to the publication. The following documents are requested in English:

- a) Terms of reference;
- b) Technical specifications;
- c) Selection and award criteria;
- d) Draft contract.

The SDC shall ensure the availability of the requested documents at the latest 30 calendar days before the planned commencement of tendering.

5.7 SDC will analyse the tender documents and give its non-objection as soon as possible. Failure to reply within 25 calendar days is considered as a non-objection. If an objection has been made, the tender documents shall be amended accordingly within 25 calendar days and submitted for non-objection again.

5.8 In addition to the requirements of Art. 5.6, for tenders above the threshold of CHF 500'000, the following shall apply:

- a) An English translation of the listed documents in Art. 5.6 shall be made available to bidders and contractors on the website where the tender documents are published;
- b) Staff members of the NCU other representatives nominated and acting on behalf of NCU shall have the right to participate in the tender evaluation committee as observers without voting right. The SDC shall invite the NCU at the latest 7 days prior to the meeting of the tender evaluation committee;
- c) NCU shall receive copies of all contracts for information at the latest 30 calendar days after signing the contracts;
- d) Possible translation costs under the above procurement procedure could be borne by the Project and financed under the Contribution.

5.9 In line with Art. 6.5 of the Framework Agreement, the Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request.

5.10 Switzerland shall have the right to conduct an audit of the procurement process and procedures.

5.11 If, according to the respective national law and EU directives, the public procurement law does not apply to the contracts concluded under the Project, the Executing Agency and the IB shall ensure fair competition and equal treatment of potential contractors.

- 5.12 The tenders shall follow a competitive and transparent procurement process. In order to ensure high quality of the tendered products and services, the economically most favourable offer shall be selected. Therefore, a multi-criteria selection approach shall be applied taking into account also qualitative selection criteria, and not only the lowest price criterion.

Article 6

Responsibilities of the SDC

- 6.1 The SDC, where applicable with the support of the Swiss Embassy in Zagreb, supervises and steers the general implementation of the Project in accordance with this Research Fund Agreement. It ensures the compliance of all actions by the SNSF under the Project with the Research Fund Agreement as well as with the Framework Agreement.
- 6.2 the SDC shall take all actions within its field of competences and responsibility including coordination and other measures, necessary or appropriate, for the efficient and correct use of the Grant in accordance with this Research Fund Agreement;
- 6.3 The SDC shall assure the timely reporting to NCU on the implementation of the Project according to Art. 14 and the timely submission of results and the proposed recommendations of the financial audit of the Project to NCU according to Art. 15;
- 6.4 The SDC shall ensure that a Mandate Agreement is signed between the SDC and SNSF acting as IB and EA for this Project. This Mandate Agreement shall comply with the Research Fund Agreement and with the Framework Agreement. It shall stipulate, inter alia, the implementation, planning and management responsibilities of the SNSF, disbursements, financial audit, monitoring, steering, reporting, review and evaluation.
- 6.5 The SDC undertakes to support, consult and inform NCU with regard to project-related issues. The SDC undertakes to notify NCU immediately in writing about any developments that could seriously jeopardise the implementation of the Project.
- 6.6 The SDC will at all-time clearly state that it is acting within the framework of the Swiss-Croatian Cooperation Programme to reduce economic and social disparities within the enlarged EU. All publications must refer to the Project as a "Swiss-Croatian Project". The general public in Croatia and Switzerland will be informed adequately about the Project.
- 6.7 All communications to the NCU with regard to this Research Fund Agreement shall be directed through the Swiss Embassy in Zagreb which generally represents SDC towards the NCU.
- 6.8 The SDC shall take or delegate partially or entirely actions within its field of competences and responsibilities.

Article 7
Responsibilities of the NCU

- 7.1 The NCU undertakes to support, consult and inform the SDC and the SNSF with regard to project-related issues. The NCU undertakes to notify SDC immediately in writing about any developments that could seriously jeopardise the implementation of the Project. In the event of a threat of any irreparable disadvantage, the NCU shall immediately apply the requisite precautions.
- 7.2 The NCU shall take or cause to take all actions within its field of competences and responsibility, including coordination and other measures necessary or appropriate for facilitating the implementation of the Research Fund in Croatia, according to Article 3.
- 7.3 The NCU will at all-time clearly state that it is acting within the framework of the Swiss-Croatian Cooperation Programme to reduce economic and social disparities within the enlarged EU. All publications must refer to the Project as a "Swiss-Croatian Project". The general public in Croatia will be informed adequately about the Project and the support provided by Switzerland.

Article 8
Responsibilities of the Swiss National Science Foundation

- 8.1 The SNSF acts as the Intermediate Body (IB) for the Research Fund in Switzerland and Croatia.
- 8.2 The IB is responsible for the set-up and management of the Research Fund in Switzerland and in Croatia. In Croatia, it acts through the CSF for the establishment of the JRPs portfolio, for the build-up, contracting and the supervision of the JRPs and for the reporting on the Research Fund.
- 8.3 The SNSF shall ensure that a Memorandum of Understanding (MoU) is signed between the SNSF and the CSF in order to cooperate to implement the CSRP.
- 8.4 The main tasks of the SNSF are agreed upon in the Mandate Agreement between the SDC and the SNSF include:
 - a) Supervision and steering of the general implementation of the Project in accordance with this Research Fund Agreement;
 - b) Assurance of the efficient and correct use of the Grant;
 - c) Assurance of the timely reporting to SDC on the implementation of the Project according to Art. 10;
 - d) Assurance of the timely submission of results and the proposed recommendations of the financial audit of the Project to SDC according to Art. 15;

- 8.5 The SNSF will at all-time clearly state that it is acting within the framework of the Swiss-Croatian Cooperation Programme to reduce economic and social disparities within the enlarged EU. All publications must refer to the Project as a "Swiss-Croatian Project". The general public will be informed adequately about the Project and the support provided by Switzerland.

Article 9

Responsibilities of the Croatian Science Foundation

- 9.1 The CSF is responsible for the establishment of the JRPs portfolio in Croatia, for the supervision of the Croatian Principal Investigators (PIs) within the JRPs and for the reporting in line with the MoU agreed upon between the SNSF and the CSF.
- 9.2 The MoU describes the tasks of the CSF that have to be in line with the description in the Project Document.
- 9.3 The CSF will at all-time clearly state that it is acting within the framework of the Swiss-Croatian Cooperation Programme to reduce economic and social disparities within the enlarged EU. All publications must refer to the Project as a "Swiss-Croatian Project". The general public will be informed adequately about the Project and the support provided by Switzerland.

Article 10

Project Organisation

- 10.1 The SDC and the NCU shall ensure the establishment of a Steering Committee.
- 10.2 The Steering Committee shall provide guidance on strategic matters with a view to meeting the objectives of the Research Fund and with regard to ethics, compliance with applicable laws and regulatory policies, environmental safety and health policies, financial practices, disclosure and reporting. It is responsible for overseeing management and ensuring that systems are in place to manage the risks involved.
- 10.3 The Steering Committee shall decide on modifications of the budget of the Project; propose and approve strategic amendments related to the Project; oversee the Project progress and make suggestions in order to improve the Project implementation, and propose additional measures to address the full achievement of the planned objectives.
- 10.4 The Steering Committee shall endorse the Annual Project Report.
- 10.5 The Steering Committee shall have at least one meeting per year. If deemed necessary by one of the voting members of the Steering Committee, additional meetings or writing procedures are to be held. The meetings or relevant writing procedures shall be organised by the SNSF which acts as a secretariat of the Steering Committee. Strategic decisions related to the Project are taken by the Steering Committee of the Project according to the roles and procedures defined in the Terms of Reference.
- 10.6 The following parties are represented as voting members in the Steering Committee:

- SDC as a co-chair;
- NCU as a co-chair;
- Representatives of the Swiss National Science Foundation as per Project Document;
- Representatives of the Croatian Science Foundation as per Project Document.

10.7 Invitations to Steering Committee meetings including the agenda shall be sent by the SNSF at the latest 14 calendar days prior to the meeting.

Article 11

Selection and approval of JRPs

The selection and approval of JRPs shall follow the procedure defined by the SNSF. The call document is consulted with the SDC and the CSF.

Article 12

Flow of funds

- 12.1 For the operation of the Research Fund Grant, the SNSF shall use its bank account at the Federal Administration of Finance. All payments by Switzerland (85,65% of the entire Project funds) shall be made directly to this bank account.
- 12.2 The SNSF will transfer all project-relevant funding to the Swiss PI; the Swiss PIs are accountable towards the SNSF for the entire JRP budget.
- 12.3 The CSF provides the 13,6% of its own funding from national contribution to the Croatian PIs.
- 12.4 Any gross interest must be indicated in the respective accounts statements and credited towards the next payment.

Article 13

Monitoring and Review

- 13.1 The SNSF shall ensure the establishment of a monitoring system that allows periodically assessing the achievement of the proposed objectives at different level. The project reports under Art. 13.2. to 13.4. and the periodical assessment of the Project results by the SNSF and the CSF shall be the base of the annual programme report on the Swiss-Croatian Cooperation Programme as stipulated in Art. 8 of the Framework Agreement.
- 13.2 Monitoring shall take place at the level of the entire Research Fund and at the JRPs' level. The SNSF shall be responsible for monitoring at the level of the JRPs and at the programme level.

- 13.3 The Programme level reporting includes the annual scientific narrative reports and annual financial reports for the Research Funds, the yearly activity and budget planning and the final programme report. The reporting towards SDC is further specified in the Mandate Agreement.
- 13.4 The SNSF will report on the JRPs' progress to the Steering Committee on an annual basis.
- 13.5 In consultation with the SNSF and CSF, the SDC and the NCU shall have the right to conduct monitoring visits to observe the Project implementation and to involve external advisors for this purpose.
- 13.6 The SDC and the NCU may decide to conduct a mid-term review. The purpose is to monitor the Project implementation and to decide about possible actions to correct eventual weaknesses. For this purpose, NCU can appoint external advisors.

Article 14

Reporting

- 14.1 Reports shall meet the requirements mentioned in Art. 3.5 of Annex 2 of the Framework Agreement.³
- 14.2 With the exception of the first Interim Report, Interim Reports shall cover a one year period and are due to the SDC not later than four months after the end of the respective reporting period. The first Interim Report shall cover the period starting from the signature of this Research Fund Agreement which is 10 July 2017 and until 31 December 2017, and it is due for submission to SDC not later than four months after. Interim Reports include information on the financial and physical progress for the respective reporting period, compare the actual with the planned expenses and provide an update on the progress, while confirming the co-financing. Any deviation has to be justified and respective measures have to be suggested.
- 14.3 Annual Project Reports are due to SDC not later than four months after the end of the calendar year. Annual Project Reports have an operational part that describes as a continuous text the implementation progress in the respective reporting period and a financial part (financial report). The financial report provides a summary data on the financial progress made during the reporting year as well as cumulative data up to the date. Annual Project Reports compare actual with planned expenditures and progress, based on the quantified targets for output and where possible outcome indicators on the basis of the Logframe (Annex 3).

³ The Interim Reports correspond to the Programmabrechnungen (annual financial reporting) as defined in the Mandate Agreement. The Annual Project Reports correspond to the 'Jährliche operationelle Berichte' (annual operational reporting) as per the Mandate Agreement.

- 14.4 The Project Completion Report (PCR) covers the whole period starting from the signing day of the Research Fund Agreement and until the end date as defined in Art. 28.2. The PCR together with the last Interim Report and the consolidated financial reporting as per Mandate Agreement between SDC and SNSF are the base for the payment of the final reimbursement. The PCR has an operational part that describes and comments the overall achievement of the outputs and outcomes against the originally planned ones in the Logframe (Annex 3). It describes the compliance with principles, such as the cross cutting ones, and the sustainability, and suggests lessons learned and conclusions. The PCR contains also a financial part, which includes a summary of the financial data of the whole Project and compares actual with planned expenditures.
- 14.5 The financial parts of the Interim Reports, Annual Project Reports and of the PCR, based on invoices or documents of equivalent value, have to be presented in local currency and in Swiss Francs.

Article 15

Audit

- 15.1 Audit shall be performed in line with the Framework Agreement and national law and procedures. Croatian PIs within JRPs and CSF shall be subject to the audit performed as per national requirements and in line with the Framework Agreement.
- 15.2 As stipulated in Art. 3.6.1 of Annex 2 to the Framework Agreement, an Audit Organisation will carry out:
- a) (An) Intermediary Financial Audit(s), which shall be conducted every two years of implementation with the exception of the first Intermediary Financial Audit which shall cover the period from the signing date of this Research Fund Agreement until the end of the second calendar year of the implementation. If deemed appropriate, the Parties can, by mutual written agreement (e.g. confirmed in the minutes of meetings or by correspondence), refrain from an Intermediary Financial Audit.
 - b) The Audit Organisation shall submit an Intermediary Financial Audit Report with conclusions and recommendations to the SNSF. The SNSF shall transmit corresponding conclusions and recommendations to NCU and SDC at the latest six months after the end of period in question;
 - c) A Final Financial Audit at the end of the Project as defined in Art. 28.2. The scope of the Final Financial Audit shall be for the entire Project implementation period. The conclusions and recommendations shall be transmitted by the SDC to the NCU together with the Project Completion Report at the latest six months after the end date.

Article 16

Right of Examination

Switzerland, as well as Croatia and any third party appointed by it, shall have the right to visit the Project, conduct a comprehensive assessment or evaluation, and shall be granted full access to all documents and information related to this Research Fund Agreement, during its implementation and until five years after the Project implementation period. The SDC shall, upon request, ensure

that the above-mentioned authorised representatives are accompanied by the relevant personnel and are provided with the necessary assistance. In case the terms defined in this Research Fund Agreement or in the Framework Agreement are not met anymore, Switzerland has the right to take corrective action, including claiming the reimbursements of the Grant. In any case, Switzerland shall submit an assessment or evaluation report to the NCU.

Article 17

Project Assets

- 17.1 For the implementation period of the Project, goods procured under the Project, if applicable, shall remain at the unrestricted disposal of the Project and shall not be diverted without prior written approval of SDC and the NCU. No ownership transfer is allowed within five years after the end date of the Project as defined in Art. 28.2, unless the Parties agree otherwise. Switzerland shall assume no liability whatsoever in connection with the above mentioned goods.
- 17.2 At the end of the Project, the Parties shall decide in time about property and use of the goods. Switzerland shall assume no liability whatsoever in connection with the above mentioned goods.
- 17.3 If for any reason the Project should have to be discontinued, the use of the goods provided with the Swiss contribution shall be decided upon in writing by the Parties.

Article 18

Common Concern

The Parties share a common concern in the fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition based upon price and quality. They declare, therefore, their intention of combining their efforts to fight corruption and, in particular, declare that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly, with a view to being awarded a mandate or contract within the framework of this Research Fund Agreement, or during its execution, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds to justify termination of this Research Fund Agreement, the annulment of the procurement or resulting award, or for taking any other corrective measure laid down by Croatian and Switzerland law. The Parties shall promptly inform each other in case of any relating well-founded suspicion of an illegal act or corrupt practice.

Article 19

Liability

The contracting parties do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the project or by the JRPs implemented by third parties, financed under the Research Fund.

Article 20

Irregularities Clause

- 20.1 Irregularity means any breach of the Croatian or Switzerland law, the Framework Agreement, this Research Fund Agreement and/or related contracts as a result of an act or omission caused willfully or negligently by a contracting party or the IB or the Beneficiary, which has led or could lead to prejudicing the general budget of the Swiss-Croatian Cooperation Programme through unjustified expenditure. Irregularities are notably considered to be all actions or non-actions that are aimed at the illicit obtainment and/or usage of the Contribution - notably fraud, misappropriation, misrepresentation, breach of contractual duties, breach of duty of care and the like.
- 20.2 The IB shall ensure efficient and prompt investigation of any suspected and actual cases of fraud and irregularity. The IB shall immediately report to the Swiss and the Croatian authorities all suspected and actual cases of fraud and irregularity as well as all measures related thereto, taken by the competent national authorities.
- 20.3 If either Party suspects an irregularity regarding the execution of the Research Fund Agreement and the Annexes hereto, it reserves the right to conduct an external, independent audit. Furthermore, SDC is entitled to stop disbursements related to the Project immediately and/or instruct the SNSF and the CSF to stop payments related to the Project from the Swiss Contribution.
- 20.4 In duly substantiated cases, SDC can ask repayment of illegitimately paid disbursements related to the Project at any given stage of the Project.
- 20.5 In case of damages due to irregularities, SDC does not assume any risk or responsibility whatsoever.
- 20.6 In any case, prior to evoking a decision on Art. 20.4 and 20.5., SDC shall enter into dialogue with the NCU to ensure that the decision is based on accurate and correct facts.
- 20.7 SDC shall immediately and in written form communicate the reasons for their respective instructions to the NCU and the other actors involved.

Article 21

Post-Completion Obligations

- 21.1 Parties are not holding neither responsibility for nor obligation to ensure the maintenance, the repair or the undertaking of any measures for ensuring the safety and protection of persons, equipment, installations, of all objects on site or in the vicinity.
- 21.2 The Parties shall keep all documents concerning this Agreement and its implementation for 10 years after the end date (c.f. Art. 28.2).

Article 22

Language

All correspondence with Switzerland, including operational, financial and audit reports, as well as project documents and any other documents related to the Project, shall be in English.

Article 23

Annexes

The following Annexes, listed by order of precedence in terms of legal applicability, form an integral part of this Research Fund Agreement:

Annex 1: SDC Project Decision Letter dated 21 November 2016 with modalities and conditions related to the Decision on the Final Project Proposal;

Annex 2: Budget;

Annex 3: Logframe.

Article 24

Competent Authorities

24.1 National Coordination Unit, with full contact:

Ministry of Regional Development and EU Funds
Miramarska 22
10000 Zagreb
Croatia

24.2 For the Croatian Science Foundation, with full contact:

Croatian Science Foundation
Ilica 24
10000 Zagreb
Croatia

24.3 For Swiss Intermediate Body, with full contact:

Swiss National science Foundation
Wildhainweg 3
3001 Bern
Switzerland

24.4 For the Swiss Federal Council:

Swiss Agency for Development and Cooperation (SDC)
Freiburgstrasse 130

3003 Bern
Switzerland

Embassy of Switzerland
Augusta Cesarca 10
10000 Zagreb
Croatia

Article 25

Settlement of Disputes

If any dispute from the application of this Research Fund Agreement arises, Art.11.2 of the Framework Agreement shall be applied.

Article 26

Project Modifications and Amendments to the Research Fund Agreement

- 26.1 Any modification and/or amendment to this Research Fund Agreement and its Annexes shall be made in writing with the mutual agreement of the Parties and according to their respective procedures.
- 26.2 Any increase of the total budget, any significant changes within the budget (e.g. reallocation of more than 15%) of a budget item to another with a value of more than 20.000 CHF as well as any strategic changes or conceptual adjustments to the Project shall be discussed with and approved by SDC and the NCU. Increases of management costs of the SNSF or the CSF shall always be discussed with and approved by SDC and the NCU.
- 26.3 All changes that do not fall under the provisions of Art. 26.2 shall be taken by the Steering Committee and reported to the parties in the Interim Reports.

Article 27

Termination, Suspension

- 27.1 This Research Fund Agreement can be terminated at any time by one of the Parties upon a six-month prior written notice containing its justification. Prior to making such a decision, the Parties shall enter into a dialogue to ensure that the decision is based on accurate and correct facts. The Parties shall decide by mutual agreement on any consequences of the termination.
- 27.2 If either Party considers that the aims of the Research Fund Agreement can no longer be achieved or that the other Party is not meeting its obligations, it shall have the right to suspend immediately the application of this Research Fund Agreement by giving the other Party a written notice on the grounds.

- 27.3 As stipulated in the Framework Agreement, Annex 1, Art. 5, any unused balances remaining after the end of the Project as defined in Art. 28.2, or in case of premature termination of the contract, shall be reallocated to the project "Demining and Social Integration" by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the Parties.

Article 28

Entry into Force, Duration

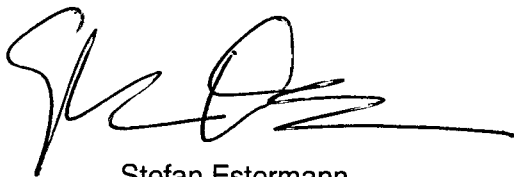
- 28.1 This Research Fund Agreement shall enter into force on the date of its signing by the Parties and shall remain in force until all obligations under it has been fulfilled.
- 28.2 The Project implementation period shall start on 10 July 2017 and end on 31 July 2023. The end date for reporting, auditing and evaluation is 31 January 2024.
- 28.3 This Research Fund Agreement is signed in two authentic copies in the English Language.

Signed in Zagreb on 10 July 2017

Signed in Zagreb on 6 July 2017

ON BEHALF OF THE SWISS AGENCY FOR
DEVELOPMENT AND COOPERATION

AMBASSADOR



Stefan Estermann

ON BEHALF OF THE NATIONAL
COORDINATION UNIT

MINISTER OF REGIONAL DEVELOPMENT
AND EU FUNDS



Gabrijela Žalac