



REPUBLIC OF CROATIA

MINISTRY OF SCIENCE, EDUCATION AND SPORTS

Donje Svetice 38, Zagreb

*Science and Technology Project, World Bank Loan No. 7320-HR*

**Unity through Knowledge Fund**

**UKF Grant Agreement No.**

**PROJECT PROPOSAL TITLE**

**[please fill in]**

The authorized State Secretary, *Professor Dražen Vikić-Topić, Ph.D.*, who represents the Ministry of Science, Education and Sports of the Republic of Croatia (hereinafter „the MSES”)

and

(*please fill in the name of the Project Leader*), (hereinafter „the Project Leader”) with the address in (*please fill in -full address city /country*)

and

(*please fill in the name of legal entity*)(hereinafter „the Leading Organization”) with head office in (*please fill in – the full address city/country*) represented by (*please fill in – the name of the legal representative*), (*function*),

**HAVE AGREED** to the following terms and conditions including those in the following Annexes, which form an integral part of the Research Cooperability Program - *Homeward / Crossing Borders* (*please select type of grant*) *Grant Agreement* (hereinafter “the Grant Agreement”).

## **Annex 1 – Project proposal**

### **Article 1 The MSES authority**

1.1 The MSES has, within the framework of the Science and Technology Project (hereinafter “STP”) that is financed by the World Bank Loan No. 7320-HR, established a program called Unity through Knowledge Fund (hereinafter “the UKF”) for work on connecting the scientific and professional potential of Croatian Diaspora with the Croatia

1.2 The MSES holds general responsibility for the implementation and coordination of STP. The major development objective of the Project is to (i) strengthen and restructure selected research & development institutions to promote applied research, while maintaining their scientific excellence; and (ii) increase the ability of enterprises to develop, use, adapt and commercialize technology. The operational procedures of the STP are described in the Project Implementation Plan.

1.3 UKF is a component of STP and is managed by the Directorate of Science in MSES. The organization and Administration of UKF on the daily basis has been delegated to the company BICRO d.o.o. owned by MSES in accordance to the Agreement between BICRO and MSES. The *UKF Guidelines and Procedures* stipulates internal and legal structure of UKF, eligibility criteria and procedures for selection, recommendation and approval of projects to be financed under the UKF, as well as the procedures for administration and monitoring of projects’ implementation including the roles and responsibilities within UKF: of the UKF Secretariat, the UKF Steering Committee and the UKF Approval Committee.



1.4 Therefore MSES (i.e. its representative – the State Secretary) has authority to conclude a Grant Agreement for the Project proposal listed above and submitted to the UKF Secretariat, proposed for financing by the UKF Steering Committee and approved by the UKF Approval Committee.

## Article 2 Definitions

In the Grant Agreement, unless the contrary intention appears:

Background Intellectual Property	includes Intellectual Property deemed to be relevant to the project and already owned by the beneficiaries on the date of signature of this agreement.
Confidential Information	means any information the parties agree is confidential or that is by its nature confidential;
Croatian organization	means organization/s with permanent residence in the Republic of Croatia
Financial plan	means the budget for the Project specified in Annex 1
Foreign organization	means organization/s with permanent residence outside the territory of the Republic of Croatia
Foreground Intellectual Property	means Intellectual Property Rights arising from the research and development undertaken within this project after the date of signature of this agreement
Funding or Funds	means the amount or amounts payable under the Grant Agreement for the Project as specified in Annex 1
Intellectual Property Rights (IPR)	means all copyright and neighboring rights, all rights in relation to inventions (including patent rights), plant varieties, registered and unregistered trademarks (including service marks), registered designs, confidential information (including trade secrets and know how) and circuit layouts, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields;
IPR transfer agreement	the agreement between the UKF and the Croatian organization on transfer of IPR
Leading Organization	means the organization, which has the major overhead costs as listed in Financial Plan in Annex 1 and is responsible of receiving and managing financial means and responsible of reporting on project financial and scientific implementation in coordination with the Project Leader
Loan Agreement	the agreement (Science and Technology Project) between Republic of Croatia and International Bank for Reconstruction and Development, ratified in the Croatian Parliament by the <i>Law on ratification of the Loan Agreement on 15 December 2005. (Official Gazette, International agreements 12/2005.)</i>
MSES	means the Ministry of Science, Education and Sports of the Republic of Croatia, or any legal successor thereto
Partner Organization	means other administering institution/s than the Leading Organization, which have/has claimed costs as listed in Financial Plan in Annex 1 or has/have provided written financial contribution or intellectual contribution to the project
Personnel	means persons participating in project as listed in Composition of research groups in Annex1



Project Leader	means the person named in the Proposal as Project Leader for a particular Project, and includes any replacement person approved by the MSES
Project Proposal	means any project and amendments to it submitted before signing this agreement as described in Annex 1
Science and Technology Project (STP)	project initiated by the Croatian Government and financed by the IBRD Loan according to the <i>Law on ratification of the Loan Agreement</i> on 15 December 2005. ( <i>Official Gazette, International agreements 12/2005.</i> )
Scientific Research and Higher Education Act	means the <i>Scientific Research and Higher Education Act</i> ( <i>Official Gazette 123/2003., 198/2003., 105./2004., 174/2004..46/2007.</i> ) and subsequent relevant legislation as amended;
UKF	means the Unity through Knowledge Fund, as established under the <i>Loan Agreement</i> and the <i>UKF Guidelines and Procedures</i> and represented by the UKF Secretariat
UKF Guidelines and Procedures	public and obligatory document established by the UKF and approved by MSES and agreed with the World Bank setting forth internal and legal structure of UKF, eligibility criteria and procedures for selection, recommendation and approval of projects to be financed under the UKF, as well as the procedures for administration and monitoring projects' implementation

### Article 3 – Duration and start date of the project

3.1 The duration of the *project* (Funding Period) shall be [insert number] months from [insert fixed start date] - [insert fixed end date]

3.2 If the Leading Organization wishes to defer commencement of the Project (or a element of the Project), a written request justifying the requested deferral in terms of special circumstances must be made to the UKF, prior to the commencement date specified in clause.

### Article 4 – Reporting periods and language of reports

4.1. The Leading Organization and the Project Leader shall submit the Research/Technology Reports and Financial Reports and statements in the format required by the UKF. The Research/Technology reports include details on achieved measurable results, milestones and key performance indicators according to the project plan in the Annex I. The financial reports include details on commitment of Funding according to the Annex I.

4.2 The Leading Organization and the Project Leader shall provide on six (6) months basis Research/Technology Reports to the UKF.

4.3 The Leading Organization and the Project Leader shall provide on six (6) months basis Financial Reports to UKF. The Financial Report should include also report on Matching Funding, as specified in Annex 1.

4.4 The Leading Organization and Project Leader shall provide a Mid-Term Progress Report approved by the Leading Organization to the UKF by no later then 30 days after the date when 50 percent of the planned Funds are committed, or after the half of the time interval agreed for the Project has passed, whichever is the earlier.



4.5 The Leading Organization shall ensure that Final Report is provided by the Project Leader and approved by the Leading Organization no later than 15 days after the end date of the Project as specified in 3.1. The UKF shall give its evaluation of the Final Report no later than 50 days after the Final Report submission.

4.6 At any time of the project's duration and one year after the project's termination the UKF may require additional information or documentation in relation to the project with prior written notice.

4.7 The start date of reporting period shall be calculated based on the project start date as stipulated in Article 3.1 and all the reports shall be written in English.

4.8 In the case of the Grant Agreement termination or suspension of the Funding the Leading Organization and the Project Leader shall submit all research/technology and financial reports requested by the UKF no later than 30 days after the Grant Agreement termination or suspension of the Funding.

## **Article 5 – The role of the Leading Organization**

5.1 The Leading Organization shall administer the UKF financial contribution regarding its allocation in accordance with the Grant Agreement without unjustified delay.

5.2 The Leading Organization shall ensure that all the appropriate payments are made to the other Partner Organizations, if any, without unjustified delay.

5.3 The Leading Organization shall ensure that the Project is carried out in accordance with the Grant Agreement, in a diligent and competent manner. In addition, the Project will be conducted in accordance with the Financial plan in Annex 1, or any revised budget, aims and research plan, submitted by the Leading Organization and the Project Leader and approved by the UKF. This also includes carrying out the plan of Matching Funding as specified in Annex 1.

5.4 The Leading Organization shall maintain reasonable, up to date, systematic and accurate records relating to the Projects conducted with the Funding, which will clearly identify all charges and expenses in particular to verify its compliance with the Grant Agreement.

5.5 The Leading Organization shall ensure that UKF or reputable audit company to audit nominated by the UKF may conduct ad hoc on-site reviews in relation to financial and other reports to ensure that the terms of the Grant Agreement are being, or were, met and that reports submitted to the UKF are an accurate statement of compliance by the Leading Organization.

5.6 The Leading Organization shall ensure that the UKF or reputable audit company to audit nominated by the UKF, while conducting these reviews are to be given full access by the Leading Organization, if required, to all accounts, records, documents and premises in relation to the Funding and the administration of the Funds in general.

5.7 The Leading Organization shall keep a separate ledger for this grant and shall ensure that the UKF funds are being used only for the purpose of the Grant Agreement.

## **Article 6 – The role of the Project Leader**

6.1 The Project leader shall lead and co-ordinate and provide reports on the Project with the Leading Organization at all times during the Funding Period, including by having direct responsibility for the strategic decisions.

## **Article 7 – Terms of Agreement, Funding Period and the payment of the Funding**

7.1 The Grant Agreement shall enter into force after its signature by the Leading Organization, Project Leader and the MSES on the day of the last signature.

7.2 Funding Period for each Project is the approved period(s) stipulated in Article 3.1 of the Grant Agreement, with the exception of payment of 10% of the total Funding, or as otherwise approved in writing by the MSES, unless the Funding is terminated earlier in accordance with the Grant Agreement.

7.3 For the Project implemented pursuant to Annex 1, the MSES shall pay the Leading Organization an amount not to exceed a ceiling of **TOTAL AMOUNT** HRK gross as per Annex 1. This amount has



been established based on the understanding that it includes all of the Project costs, employees, overhead and profits as well as any tax obligation that may be imposed on the Leading Organization.

7.4 The first half-yearly installment shall be paid in HRK and no later than 30 days after the project start date stipulated in Article 3.1.

7.5 Subsequent half-yearly installments shall be paid in HRK and not later than 45 days following submission of the six-monthly Research/Technology Report to the UKF.

7.6 The amounts of the half-yearly installments of the Funding stipulated in Article 7.5. shall be calculated according to the Financial Plan with following exceptions:

7.6.1 The amount of the last installment shall be reduced by 10% of the total Funding .

7.6.2 Payment of the amount of 10% of the total Funding, deducted from the last installment, will be subject of the positive evaluation of the Final Report of the UKF and shall be made no later than 45 days after the positive evaluation of the Final Report and no later then 90 after the end date of the Project as specified in Article 3.1.

7.7 Sources of the Grant Agreement financing until the end of STP are the following: 80% (eighty percent) of gross amount will be paid from the Special Account or the Loan Account of the Loan No. 7320-HR and 20% (twenty percent) of gross amount will be paid from the Government Budget of the MSES.

7.8 If the Funding period of the Grant Agreement as stipulated in Article 3.1 shall be longer than duration of STP, the MSES have to ensure other sources of the Grant Agreement financing.

7.9 The bank account of the Leading Organization to which all payments of the UKF financial contribution shall be made is:

Name of Account holder: **[please fill in]**

Account holder's tax number: **[please fill in]**

Name and the address of the bank: **[please fill in]**

Account reference including IBAN: **[please fill in]**

7.10 If the Leading Organization has provided incorrect data regarding the above stated bank account, the UKF holds no responsibility for the payment delay.

7.11 The temporary unavailability of funds to make a timely payment relieves the UKF from the obligation to pay interest penalties.

## **Article 8 – Use of the Funding**

8.1 The Leading Organization shall ensure that expenditure on the Project described in Annex 1 is in accordance with the Project proposal and within the structure of the proposed Financial plan or any revised budget, aims and research plan approved by the UKF with separate Amendment, as specified in Article 10.

8.2 At the end of the project as stipulated in Article 3.1, any unspent funds shall be returned to the MSES in 30 days.

8.3 The Leading Organization and the Project shall ensure that expenses committed from the Funding are not covered partly or fully from any other sources. They will immediately notice in written the UKF if any other source of financial support for expenses within Project is committed and consequently request the Amendment as stipulated in Article 10.

## **Article 9 – Communication**

9.1 Requests for amendments and any communication foreseen by this Agreement shall identify the



nature and details of the request or communication and be submitted in writing by means of e-mail or registered mail with acknowledgement of receipt to the following addresses:

For the UKF:

office@ukf.hr or

Unity through Knowledge Fund

Planinska 1

10000 Zagreb, Hrvatska

For the Leading Organization: [please fill in]

Please insert your email and postal address: [please fill in]

For the Project Leader: [please fill in]

Please insert your email and postal address: [please fill in]

## Article 10 – Amendments

10.1 Any request for amendments to the Grant Agreement shall be submitted by the Leading Organization and the Project Leader in accordance with Article 9.

10.2 The Leading Organization shall ensure that adequate proof of the Partner Organization agreement, if applicable, to such a request exists.

10.3 The UKF shall undertake to approve or reject any request for an amendment within 45 days of its receipt. The absence of a response from the UKF within 45 days of receipt of such a request, or any other period provided for in the Grant agreement, does not constitute approval of the request.

10.4 All amendments to the Grant Agreement shall be in writing and in English.

## Article 11 – Collaboration Agreements

11.1 The Leading Organization shall sign the Collaboration Agreement not later than 30 days after the project start date stipulated in Article 3.1. if one or more Partner Organization are involved in the project.

11.2 The Leading Organization must not allow the Funding to be expended, until it has entered into a written Collaboration Agreement with each Partner Organization in accordance with the Project Proposal.

11.3 A Collaboration Agreement entered into with a Partner Organization must include provisions that:

11.3.1 outline the role and contribution, if any, of the Partner Organization

11.3.2 outline the payment dynamic, if any, to the Partner Organization

11.3.3 describe the intellectual property arrangements that apply to the outcome or results generated by the Project.

11.3.4 A Collaboration Agreement shall not impede or prevent the Leading Organization from complying with any of its obligations under the Grant Agreement.

11.4 The Leading Organization shall make the Collaboration Agreement available to the UKF as soon as it is signed.

## Article 12 Personnel

12.1. The Leading Organization shall ensure that the Personnel listed in Annex 1 will conduct the Project in a diligent and competent manner and will comply with this Agreement.

12.2 The Leading Organization shall ensure that it has made proper inquiries of the Personnel listed in Annex 1 in relation to their eligibility to perform the Project.

12.3 The Leading Organization shall ensure that all co-workers named in Annex 1 to perform the



Project have the approval of his/her employing organization to participate in the Project if no Collaboration Agreement has been signed.

12.4 If Project Leader or Co-worker is at any time during the term of a Project no longer able to continue the Project, the Project may be continued under another Project Leader or Co-worker provided that: he/she meets the eligibility criteria for the particular role they are to perform, for the period for which they are to perform that role.

### **Article 13 Transfer of Project**

13.1 The Leading Organization must promptly notify the UKF if any Personnel on the Project who moves to an Eligible Organisation other than the Leading Organization at any time during the funding period for that Project.

13.2 If the transferring Personnel is the Project Leader, then the Leading Organization may seek the MSES approval for the transfer by submitting a variation of Funding Agreement request outlining arrangements for the continuation of the Project and the continued administration of the funding.

13.3 Where the proposed arrangements include a transfer of the Funding from the Leading Organization to another Eligible Organization, the UKF Secretariat shall have regard to the circumstances surrounding the proposed transfer and may propose to the UKF Steering Committee to approve the transfer subject to such conditions, as they consider appropriate. The request must provide evidence that all parties agree to the transfer.

13.4 If the Project Leader changes the Leading Organization and the UKF approval is not given for arrangements for the continuation of the Project and the continued administration of the Funding, the Project may be terminated and any unspent funds recovered by the UKF.

13.5 The Project or any equipment purchased with the Funding must not be transferred to the recipient Eligible Organization until approval for the transfer of the Funding is granted.

### **Article 14 Assets**

14.1 Assets purchased with Funding must be purchased for the exclusive purposes of Project in accordance with Financial Plan in Annex 1 respecting the time frame.

14.2 The Leading Organization shall establish and comply with all legal and its own procedures and arrangements for purchasing, installing, recording, maintaining and insuring all items of equipment purchased with the Funds.

14.3 The Leading Organization shall ensure that Personnel shall have first priority in the use and operation of equipment purchased for the Project and the Leading Organization shall, so far as is practicable, permit persons authorized by the MSES to have priority access to that equipment in preference to other persons.

14.4 The ownership of any Asset purchased wholly or partly with the Funding shall be vested in the Leading Organization, located on its premises, listed in its assets register unless otherwise specified in the Proposal, or the Project is terminated, in which case the MSES may, by notice in writing, require the transfer of any such item of equipment to the other organization; or the Project is transferred to another organization, in which case, subject to the agreement of both the Leading Organization and the recipient Eligible Organization, the equipment purchased with Funds provided under the Grant Agreement for the relevant project may be transferred.

14.5 After the project end date stipulated in Article 3.1 equipment procured via Funding will become the property of the institution at which the research is conducted.

14.6 The Project Leader, or alternatively the Leading Organization, must share the use of the equipment with third parties if instructed to do so by UKF.

14.7 Any Asset purchased with Funding which has purchase value 200 000 HRK or more (without VAT) should be registered in the MSES's public Register of the Scientific Equipment within 30 days after purchase of the equipment.

### **Article 15 Intellectual Property and Publications**

15.1 Foreground Intellectual Property shall be owned during the duration of the project as stipulated in Article 3.1 solely by the UKF if not otherwise regulated by IPR transfer agreement signed by UKF and



the Croatian organization.

15.2 The UKF may transfer Foreground Intellectual property during the duration of the project as stipulated in Article 3.1 to the Croatian organization if Croatian organization are able to ensure that Foreground Intellectual Property financed by the UKF remain within Croatian organizations by signing a Collaboration agreement with foreign partner organizations

15.3 In the event that Croatian organization does not provide proof or evidence of diligent efforts to exploit the Foreground Intellectual Property within a period of 1 year after the project end date, the UKF may request the ownership of Foreground Intellectual Property.

15.4 Background Intellectual Property shall be regulated by a Collaboration Agreement, if applicable.

15.5 The Project Leader shall ensure the divulgation (including scientific publications) of Foreground Intellectual Property shall only be undertaken with the prior approval of the UKF. The UKF shall notify on it consent or rejection the Project Leader within 20 days.

15.6 When, at any time during or after completion of a Project, promotional material, books, articles, television or radio programs, newsletters or other literary or artistic works which relate to the Project is published, the Leading Organization and the Project Leader shall acknowledge, at a prominent place in the publication, the support of the UKF in a form acceptable to the UKF. Advice of acceptable forms of acknowledgement and use of the logo is provided on the UKF's website.

15.7 The Project Leader and the Leading Organization are obliged to participate in any public presentations of the UKF and in other activities of the UKF (seminars, workshops, internet platforms...) as requested by the UKF.

15.8 The Project Leader and the Leading Organization are obliged at any time during or after completion of a Project to promote goals and principles of the UKF.

## **Article 16 Confidentiality**

16.1 The UKF agrees not to disclose any Confidential Information on the Leading Organization and the Project Leader, without the Leading Organization's or the Project Leader's consent, respectively.

16.2 The UKF will not be taken to have breached its obligations under Article 16.1 to the extent that the UKF discloses Confidential Information: to its consultants, members of Committees, employees of the MSES, agents, external professional advisers or contractors solely to comply with obligations, or to exercise rights, under the Grant Agreement or to enable effective management or auditing of the Grant Agreement:

16.2.1 for a purpose directly related to the enforcement or investigation of a possible breach of any Republic law;

16.2.2 in response to a demand by the Croatian Parliament;

16.2.3 within the MSES or another government agency or authority, where this serves the UKF's or the MSES's legitimate interests;

16.2.4 as required or permitted by any other law, or an express provision of the agreement, to be disclosed.

16.3 UKF reserves the right to publish any details and/or results required for the dissemination of information in the public interest, with the exception of Confidential Information. .

## **Article 17 Termination of the Funding and Agreement**

17.1 The UKF may terminate this Agreement or suspend the Funding for the Project by notice in writing to the Leading Organization and the Project Leader if the UKF reasonably believes that any one or more of the following conditions specified has/have not been satisfied in relation to the Project:

17.1.1 if the Leading Organization does not spend all funds paid under this Agreement for the Project substantially in accordance with the Financial Plan (Annex 1);



- 17.1.2 if the Project Leader is the only Personnel on the Project, and his/hers involvement with the Project is to cease or be reduced significantly;
- 17.1.3 if the Leading Organization does not comply with any other requirements or conditions imposed by the MSES in connection with any Funding covered by this Agreement;
- 17.1.4 if the UKF reasonably believes that it has received inaccurate, incomplete or misleading information in relation to that Project, including in the Proposal or in any report provided under the Grant Agreement;
- 17.1.5 where the required reports or deliverables are not submitted the UKF on time as stipulated in the Article 4;
- 17.1.6 where UKF does not approve the reports or deliverables submitted by the Leading Organization;
- 17.1.7 for major technical or economic reasons substantially adversely affecting the completion of the project;
- 17.1.8 in case of non-performance or poor performance of the work or breach of any substantial obligation imposed by the Grant Agreement that is not remedied following a UKF's written request to rectify the situation within a period of 30 days;
- 17.1.9 when the Leading Organization and/or the Project Leader have their affairs administered by the courts, are bankrupt or have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation provided for in Croatian legislation or regulations;
- 17.1.10 if the Leading Organization and/or the Project Leader have been declared to be in serious violation of any other contract with state administration, the Funding will be suspended or the Grant Agreement terminated.
- 17.2 The UKF by notice in writing to the Leading Organization may recover all or some of the Funds paid under the Grant Agreement for that Project not spent in accordance with the Grant Agreement.
- 17.3 In the event of termination of the Grant Agreement any Funding from the UKF is limited to those eligible costs incurred and accepted up to the effective date of such termination.
- 17.4 Termination of the Grant Agreement at the UKF's initiative shall be notified to the Leading Organization and the Project Leader, and shall take effect on the date indicated in the notification and at the latest 10 days after its receipt by the beneficiary.
- 17.5 In the case that the Leading Organization or the Project Leader wishes to terminate the Grant Agreement it shall be done in written in accordance with Article 9 and the termination period shall be determined by the UKF.

#### **Article 18 Law Governing Agreement and Language**

- 18.1 The Grant Agreement shall be governed by the laws of the Republic of Croatia, and the language of the Contract shall be English.
- 18.2. The Leading Organization and the Project Leader and should be able to prove that they work in accordance to Croatian law.
- 18.3 For all instances with respect to the subject matter of the Grant Agreement, which are not explicitly defined in the Grant Agreement, the UKF's Procedures and Guidelines approved by MSES and agreed by the World Bank shall be valid.

#### **Article 19 Dispute Resolution**

- 19.1 Any dispute arising out of this Agreement, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Republic of Croatia

#### **Article 20 Entire Agreement**



20.1 The Grant Agreement, including Annexes constitutes the entire agreement between the parties and supersedes all communications, negotiations, arrangements and agreements, whether oral or written, between the parties with respect to the subject matter of the agreement.

20.2. The Grant Agreement will be printed and signed in 3 originals and every contractor will keep one original.

**FOR THE MSES**

**Ministry of Science,  
Education and Sports**

Date of signature

Signed by Professor  
**Dražen Vikić-Topić,**  
Ph.D.

Title: **State Secretary**

**FOR THE LEADING  
ORGANIZATION:**

[ please fill in]

Date of signature

Signed by

Title: [ please fill in]

**FOR THE PROJECT  
LEADER:**

[ please fill in]

Date of signature

Signed by

Title: [ please fill in]

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**Class:**

**Our No.:**