

**Memorandum of Understanding
between the European Community and Croatia**

**on Croatia's participation in the Community multiannual programme for action in the
field of energy: "Intelligent Energy-Europe" (2003-2006)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
hereinafter referred to as "the Commission",
on behalf of the European Community,
on the one part,

and

THE GOVERNMENT OF CROATIA,
on the other part,

Whereas :

1. The Framework Agreement¹ between the European Community and the Republic of Croatia on the general principles for the participation of the Republic of Croatia in Community programmes, invites the Commission and the competent authorities of Croatia to determine the specific terms and conditions, including financial contribution, with regard to such participation in each particular programme,
2. The multiannual programme for action in the field of energy: "Intelligent Energy – Europe" (2003-2006) was established by Decision No EC/1230/2003 of the European Parliament and of the Council of 26 June 2003²

HAVE AGREED AS FOLLOWS:

Article 1

Croatia shall participate in the multiannual programme for action in the field of energy: "Intelligent Energy – Europe" (2003-2006), (hereinafter called "the Programme"), in accordance with the conditions laid down in the Framework Agreement between the European Community and the Republic of Croatia on the general principles for the participation of the Republic of Croatia in Community programmes, and under the terms and conditions referred to in Annex I and II of this Memorandum of Understanding.

Article 2

This Memorandum of Understanding shall apply for the duration of the Programme, starting from 1 January 2006. Nevertheless, should the European Community decide to extend the duration without any substantial change within the Programme, this Memorandum would also be extended correspondingly and automatically if no Party denounces it.

¹ OJ L192, 22.7.2005, p.16
² OJ L176, 15.07.2003, p.29

Annexes I and II form an integral part of this Memorandum of Understanding.

This Memorandum of Understanding may only be amended in writing by common consent of the parties.

This Memorandum of Understanding shall take effect from 01 January 2006.

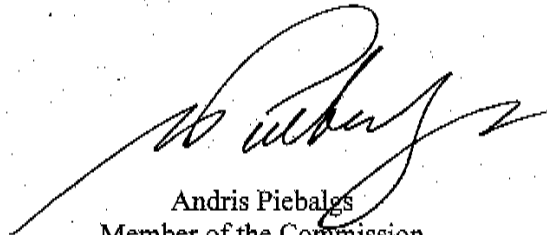
Done in Brussels on Friday the 17th March 2006

For the Government of Croatia



Damir Polančec
Vice Prime Minister

For the Commission,
on behalf of the European Community,



Andris Piebalgs
Member of the Commission

ANNEX 1

Terms and conditions with respect to participation in the Programme

1. Croatia shall participate in the activities of the Community multiannual programme for action in the field of energy: "Intelligent Energy – Europe" (2003-2006) in conformity with the objectives, criteria, procedures and deadlines as defined in Decision No EC/1230/2003 of the European Parliament and of the Council of 26 June 2003.
2. The terms and conditions applicable to the submission, assessment and selection of applications by eligible institutions, organisations and individuals of Croatia shall be the same as those applicable to eligible institutions, organisations and individuals of the Member States of the European Union.
3. To participate in the Programme, Croatia shall pay a yearly financial contribution to the General Budget of the European Union according to the modalities laid down in Annex II.
4. The financial contribution of Croatia in respect of its participation and implementation of the Programme shall be added to the amount earmarked each year in the General Budget of the European Union for commitment appropriations to meet the financial obligations arising out of different forms of measures necessary for the execution, management and operation of the Programme. Part of that financial contribution may be financed under the relevant Community external aid instrument, if Croatia so requests.
5. One of the official languages of the Community shall be used for the procedures related to requests, contracts and reports, as well as for other administrative aspects of the Programme.
6. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the Programme, the participation of Croatia in the Programme shall be continuously monitored on a partnership basis involving the Commission and Croatia. Croatia shall submit to the Commission relevant reports and take part in other specific activities provided for by the Community in the context of this Programme.

ANNEX 2

Rules governing the financial contribution of Croatia in the Community multiannual programme for action in the field of energy: "Intelligent Energy-Europe" (2003-2006)

1. The financial contribution to be paid by Croatia to the General Budget of the European Union to participate in the Programme is calculated as percentage of the annual budget of the programme and shall be the following:

For 2006 : 400.054€
2. The contribution of Croatia shall cover costs related to the preparation, feasibility, development and execution of the projects of common interest, as well as for the development and implementation of horizontal measures as foreseen in the Programme.
3. Travel costs and subsistence costs incurred by representatives and experts of Croatia for the purposes of taking part as observers in the work of the committee referred to in Article 8 of Decision No EC/1230/2003 of the European Parliament and of the Council of 26 June 2003 or other meetings related to the implementation of the Programme shall be reimbursed by the Commission on the same basis as and in accordance with the procedures currently in force for representatives of the Member States of the European Union.
4. The Financial Regulation applicable to the General Budget of the European Union shall apply to the management of the contribution of Croatia.
5. When this Memorandum of Understanding takes effect and at the beginning of each subsequent budgetary year, the Commission shall send to Croatia a call for funds corresponding to its contribution of the costs covered by this Memorandum of Understanding.
6. That contribution shall be paid in Euro to an Euro denominated bank account of the Commission.
7. Croatia shall pay its contribution to the annual costs in accordance with the call for funds request no later than three months after the date of the call. Any delay in the payment of the contribution shall give rise to the payment of default interest by Croatia on the outstanding amount from the due date. The interest rate shall be the rate applied by the European Central Bank to its main refinancing operations in Euro on the due date, increased by 3.5 percentage points.

In case of a delay in the payment of the contribution by Croatia, the Commission may also suspend payments to Croatia's beneficiaries. In case the delay in the payment of the contribution is such that it may significantly jeopardise the implementation and management of the programme, participation in the programme of Croatia for the concerned year may be suspended by the Commission.



VLADA REPUBLIKE HRVATSKE/THE GOVERNMENT OF THE REPUBLIC OF CROATIA

On the basis of the Articles 5 and 13 of the Law on Concluding and Executing International Agreements (Official Gazette, No 28/96), the Government of the Republic of Croatia at its session held on March 10, 2006 adopted the following

FULL POWERS

Mr. Damir Polančec, Vice Prime Minister the Government of the Republic of Croatia is authorized to sign, on behalf of the Government of the Republic of Croatia, Memorandum of Understanding between the European Community and the Republic of Croatia on Croatia's participation in the Community multiannual programme for action in the field of energy: "Intelligent Energy-Europe" (2003-2006)".

Class: 310-02/06-03/02

Reg. No: 5030122-06-3

Zagreb, March 10, 2006



PRIME MINISTER

Ivo Sanader, Ph.D.



VLADA REPUBLIKE HRVATSKE/THE GOVERNMENT OF THE REPUBLIC OF CROATIA

Na temelju članka 5. i 13. Zakona o sklapanju i izvršavanju međunarodnih ugovora (Narodne novine, broj 28/96), Vlada Republike Hrvatske je na sjednici održanoj 10. ožujka 2006. godine dala sljedeću

PUNOMOĆ

Ovlašćuje se Damir Polančec, potpredsjednik Vlade Republike Hrvatske da, u ime Vlade Republike Hrvatske, potpiše Memoranduma o razumijevanju između Europske zajednice i Republike Hrvatske o sudjelovanju Republike Hrvatske u višegodišnjem programu Europske zajednice "Inteligentna energija u Europi (2003-2006)".

Klasa: 310-02/06-03/02

Urbroj: 5030122-06-3

Zagreb, 10. ožujka 2006.



PREDSJEDNIK

Dr. sc. Ivo Sanader