EEA Financial Mechanism 2014-2021

Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs
Hereinafter referred to as the “Donors”

and

The Ministry of Regional Development and EU Funds - Croatia,
hereinafter referred to as the “National Focal Point”,
representing Croatia,
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme “Local Development and Poverty Reduction”

hereinafter referred to as the “Programme”

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA and the Norwegian Financial Mechanisms 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2014-2021:

(a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Agreement") and Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 (hereinafter referred to as "Protocol 38c";

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 and the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulations") issued by the Financial Mechanism Committee in accordance with Article 10(5) of Protocol 38c and by the Norwegian Ministry of Foreign Affairs in accordance with Article 10(5) of the Agreement;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 and the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "MoUs"), entered into between the Donors and the Beneficiary State; and

(d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this programme agreement and the Regulations, the Regulations shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulations.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of

corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA and Norwegian Financial Mechanisms 2014-2021 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulations and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulations, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this programme agreement.

2. The Programme is supported by grants from both the EEA and the Norwegian Financial Mechanism. Nevertheless, this programme agreement may contain provisions applicable only to the support from the EEA Financial Mechanism and/or provisions applicable only to the support from the Norwegian Financial Mechanism.

3. The financial plan annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) contain a breakdown between the support from the EEA Financial Mechanism and the Norwegian Financial Mechanism;

(c) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in this programme agreement.

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the Donors with reference to paragraph 2 of Article 6.3 of the Regulations. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulations and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the Donors of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme

report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulations as well as statistical reporting in accordance with guidelines adopted by the Donors.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulations shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the Donors.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the Donors, the National Focal Point shall consult the Donors before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulations.

Article 2.10
Communication

1. All communication to the Donors regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the Donors towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the Donors and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the Donors prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulations and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulations and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulations.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulations.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulations. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulations.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulations.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulations, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulations, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulations and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulations, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulations as well as indirect costs in accordance with Article 8.5 of the Regulations.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulations. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the Donors of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulations.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulations have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulations.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulations.

5. Chapter 9 of the Regulations shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme in accordance with Article 9.8 of the Regulations.

Article 4.5
Irregularities, suspension and reimbursements

The Donors have the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The Donors may, after consultation with the National Focal Point, terminate this programme agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulations has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulations, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the Donors, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the Donors, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the Donors for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, the NMFA, the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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This programme agreement is drawn up in two originals in the English language.

For the Donors

Signed in Oslo on 09/07/2020

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Niels Engelschion
FMC Chairman

For the National Focal Point

Signed in Zagreb on 16/09/2020

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Natasa Tramisak
Minister, MRRFEU

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Regional Development and EU Funds - Croatia
Donor Programme Partner:	Directorate for Higher Education and Skills (HK-DIR)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Strengthened social and economic cohesion

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA10	Outcome 1	Improved skills and competencies of teachers and other professionals in primary education	Share of teachers and other professionals in primary education who declare improved skills/competences in areas of STEM, ICT, entrepreneurship and active citizenship	N/A	Percentage	Survey results	2022, 2024	N/A	N/A	70 %
			Level of satisfaction with the quality of enhanced competences	N/A	Scale 1-7	Survey results	2022, 2024	N/A	N/A	3.5
	Output 1.1	Approaches and practices in promoting skills and competences for STEM area, ICT, entrepreneurship and active citizenship upgraded	Number of intellectual outputs generated by improving skills and competences[1]	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	30
			Number of professionals trained on the use of teaching models, methods, strategies	Gender	Number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	75

[1] E.g. teaching models, methods and strategies, learning and teaching resources, didactical tools.

	Output 1.2	Institutional cooperation for sharing knowledge and good practices on skills and competencies at all levels of education	Number of institutions involved in cooperation activities	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	7
PA10	Outcome 2	Enhanced STEM skills	Share of professionals self-reporting on improved ability in STEM teaching	N/A	Percentage	Survey results	2022, 2024	N/A	N/A	70 %
			Share of pupils self-reporting on improved STEM skills	N/A	Percentage	Survey results	2022, 2024	N/A	N/A	50 %
	Output 2.1	Classroom infrastructure and equipment for development of functional STEM classrooms upgraded	Number of schools introducing STEM classrooms	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10
			Number of schools with improved services[2]	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10
	Output 2.2	Regional Science Centres developed	Number of Regional Science Centres developed[3]	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	2
	Output 2.3	STEM skills of professionals in primary education upgraded	Number of educational programmes (TOT) for STEM skills, ICT, entrepreneurship and active citizenship for professionals implemented	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	4

[2] Improved services include: extracurricular activities and/or integrated extended stay in school.

[3] The Regional Science Centres can be established within the primary school or exceptionally in some other adequate place owned by the local unit.

			Number of educational programmes for STEM skills, ICT, entrepreneurship and active citizenship for pupils implemented	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	4
			Number of staff participating in development and testing of teaching models, practices and education activities for STEM-based skills, ICT, entrepreneurship and active citizenship	N/A	Number	Project Promoters' records Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	300
			Number of pupils enrolled in STEM programmes/courses	N/A	Number	Project Promoters' records Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	2,000
			Number of pupils participating in extracurricular classes[4]	Roma	Number	Project Promoters' records Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	200
PA10	Outcome 3	Enhanced tools for creating equal opportunities in education for pupils with disabilities	Number of beneficiaries of services provided or improved	Gender	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	1,000
	Output 3.1	Schools for children with special educational needs equipped with assistive technology	Number of special-needs schools equipped with assistive technologies	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	27
			Number of professionals trained	Gender	Number	Project Promoters' records,	Semi-annually (APR and	0	N/A	450

[4] The PO will keep the achievements disaggregated by vulnerable groups (Roma and other) and will report to the FMO upon request.

						Attendance sheets	September IFR)			
			Number of pupils trained in use of assistive technologies	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	1,000
PA16	Outcome 4	Enhanced coordination at national and regional (local) levels	Number of County Development Agencies declaring improved project-related public services	N/A	Number	Project Promoters' records Survey results	2022, 2024	0	N/A	21
			Share of professional staff who declared improved relevant skills and competences for the efficient and timely implementation of NDS 2030	N/A	Percentage	Project Promoters' records Survey results	2022, 2024	N/A	N/A	100 %
	Output 4.1	Capacity building workshops, and other training sessions implemented	Number of professional staff trained in efficient and timely implementation of NDS 2030	Gender	Number	Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	75
			Number of seminars organised	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	5
			Number of study tours organised	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	2
	Output 4.2	Knowledge sharing activities implemented	Number of multi - stakeholder regional development fora	N/A	Number	Project Promoters' records; Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	3

			Number of participants at multi-stakeholder regional development forums	N/A	Number	Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	100
	Output 4.3	Analysis of the approach to deliver the NDS though integrated investments at the regional and local levels conducted	Multi-level Governance Report on Integrated Investments drafted	N/A	Binary	Project Promoters' records	Semi-annually (APR and September IFR)	No	N/A	Yes
	Output 4.4	Specific recommendations for Croatian regions developed	Number of tailored policy recommendations issued by OECD for regional-level policy makers	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	4
PA10	Outcome 5	Improved knowledge base for development of seismic risk policies	Number of key stakeholders informed on project results	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	N/A	N/A	10
			Number of peer-reviewed scientific publications submitted	Type of scientific publication	Cumulative number	Proof of submission	Annually (APR)	5	2021	8
	Output 5.1	Seismically most vulnerable areas in Croatia monitored and investigated	Number of fault regions mapped and seismogenic potential estimations	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	1
			Number of earthquake shaking scenarios calculated	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	1
			Number of Ground Motion Prediction Equations (GMPE) representative for	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and	0	N/A	1

			the territory of Croatia developed				September IFR)			
	Output 5.2	Capacity building for earthquake research in Croatia	Number of newly installed seismic instruments	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	25	2021	53
			Number of researchers supported	Gender	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	5
			Number of maps (e.g., seismic fault maps), lectures, videos, promotional materials	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	5
PA10	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of trust between cooperating entities in Beneficiary States and Donor States	State type	Scale 1-7	Survey results	Annually (APR)	TBD[5]	TBD	4.5[6]
			Level of satisfaction with the partnership	State type	Scale 1-7	Survey results	Annually (APR)	TBD[7]	TBD	4.5[8]
			Share of cooperating organisations applying the knowledge acquired from bilateral partnerships	State type	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
	Bilateral Output 1	Bilateral cooperation supported	Number of projects involving cooperation with a donor project partner (all outcomes)	Donor State	Number	Copies of contracts concluded with Project Promoters, Partnership	Semi-annually (APR and September IFR)	N/A	N/A	15

[5] Survey to be carried out by the FMO
[6] Target is ≥4.5 and an increase on the baseline
[7] Survey to be carried out by the FMO
[8] Target is ≥4.5 and an increase on the baseline

						agreements between Project Promoters and project partners				

Conditions

General

1) The maximum level of funding available from the total eligible eligible expenditure of the programme for infrastructure (hard measures) shall be 60%.

2) The National Focal Point shall ensure that the Programme Operator ensures that project promoters:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project.

The specific means for implementation of this obligation shall be specified in the project contract.

3) For predefined project no. 2 (numbering under Section 5.1 of Annex II to the Programme Agreement), the National Focal Point shall ensure that the Programme Operator ensures that the appraisal foreseen in Article 6.5.3 of the Regulation is externalised and carried out by a legal entity independent of and unrelated to the Programme Operator.

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	04/07/2018	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 32,263,894
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 24,624,310
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 2,800,000
Maximum amount of Programme grant - Total (€)		€ 27,424,310

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA10	Programme management	€ 1,995,192	€ 79,808	€ 2,075,000	85.00 %	€ 366,176	€ 2,441,176	€ 0
PA10	Outcome 1 (EEA Grants)	€ 1,177,000		€ 1,177,000	85.00 %	€ 207,706	€ 1,384,706	€ 0
PA10	Outcome 1 (Norway Grants)					n/a		n/a
PA10	Outcome 2 (EEA Grants)	€ 18,452,118		€ 18,452,118	85.00 %	€ 3,256,256	€ 21,708,374	€ 0
PA10	Outcome 2 (Norway Grants)					n/a		n/a
PA10	Outcome 3 (EEA Grants)	€ 3,000,000		€ 3,000,000	85.00 %	€ 529,412	€ 3,529,412	€ 0
PA10	Outcome 3 (Norway Grants)					n/a		n/a
PA16	Outcome 4 (EEA Grants)					n/a		n/a
PA16	Outcome 4 (Norway Grants)		€ 920,192	€ 920,192	85.00 %	€ 162,387	€ 1,082,579	€ 0
PA10	Outcome 5 (EEA Grants)					n/a		n/a
PA10	Outcome 5 (Norway Grants)		€ 1,800,000	€ 1,800,000	85.00 %	€ 317,647	€ 2,117,647	n/a
Total		**€ 24,624,310**	**€ 2,800,000**	**€ 27,424,310**	**85.00 %**	**€ 4,839,584**	**€ 32,263,894**	**€ 0**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 244,118

Local Development and Poverty Reduction

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoUs, the concept note and comments made by the Donors. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Service for Management, Monitoring & Evaluation of EU Programmes and International Financial Mechanisms within the Ministry of Regional Development and EU Funds of the Republic of Croatia. Norwegian Directorate for Higher Education and Skills (HK-DIR) shall act as Donor Programme Partner.

The Programme objective **"strengthened social and economic cohesion"** shall be attained through five outcomes:

- Outcome 1 'Improved skills and competencies of teachers and other professionals in primary education', by way of a small grant scheme

Projects shall aim to develop new teaching modules, methods and strategies, enhance skills and competencies in all levels of education and training of staff.

- Outcome 2 'Enhanced STEM skills', by way of one call for proposals.

The projects shall enhance the STEM skills of educational staff and pupils and may include: a) acquiring STEM equipment for school classrooms, or b) developing Regional Science Centres (RSC). Investments in infrastructure in order to ensure safe and efficient STEM learning may be supported. Special attention shall be given to vulnerable groups and less developed areas.

- Outcome 3 'Enhanced tools for creating equal opportunities in education for pupils with disabilities', by way of one predefined project; 'Enhancing tools for creating equal opportunities in education for pupils with disabilities' (PDP 1)

- Outcome 4 'Enhanced strategic planning at national and regional level', by way of one predefined project; "Enhanced Strategic Planning at Regional and Local Levels in Croatia" (PDP 2)
- Outcome 5 „Improved knowledge base for development of seismic risk policies" by way of one predefined project „Investigation of seismically vulnerable areas in Croatia and seismic ground motion assessment" (PDP 3)

2. Eligibility

2.1 Eligible applicants:

Outcome	**Modality**	**Eligible applicants**	**Eligible partners**
Outcome 1	Small-grant scheme #1	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person in Croatia	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person in

			Norway, Iceland, Liechtenstein or Croatia
Outcome 2	Call #1	Local and regional authorities in Croatia, legal entities which are founders or owners of Primary Schools in Croatia, Primary Schools in accordance with the Croatian Law on Education in Primary and Secondary Schools	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person in Norway, Iceland, Liechtenstein or Croatia

2.2 Special rules on eligibility of costs:
Costs are eligible in accordance with Chapter 8 of the Regulations.

3. Bilateral relations
3.1 Bilateral relations
The Programme shall contribute to strengthening bilateral relations between Croatia and the Donor States.

The Programme shall as appropriate facilitate donor partnership projects by carrying out, inter alia, match-making events and activities in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call texts.

The further use of the funds for bilateral relations allocated to the programme shall be agreed in the Cooperation Committee, including also support to activities involving the European Wergeland Centre.

4. Selection of projects and financial parameters
4.1 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

Outcome	**Modality**	**Total available amount**	**Minimum/Maximum amount applied for**	**Indicative timing**
Outcome 1	Small-grant scheme #1	EUR 1,384,706	EUR 50,000/EUR 200,000	Q4 2020
Outcome 2	Call #1 Component a: Acquiring STEM equipment for school classrooms Component b: Developing Regional Science Centres (RSC)	EUR 22,150,362	Component a: EUR 200,000 / EUR 1,000,000 Component b: EUR 1,000,000 / EUR 3,000,000	Q1 2021

4.2 Selection procedures:
The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulations.

The Programme Operator shall be responsible for project evaluation and for the award of grants.

The Programme Operator shall review the applications received for compliance with the administrative and eligibility criteria. Applicants, whose applications are rejected at this stage, shall be informed and given a reasonable time to appeal that decision.

Every application that meets administrative and eligibility criteria shall be reviewed by two impartial experts appointed by the Programme Operator. Each of the two experts shall score every project proposal in compliance with the selection criteria published in the Call for Proposals. The projects shall be ranked on the basis of the average score calculated on the basis of the individual scores awarded by the two experts. If the difference between the average score exceeds by more than 30% the higher score awarded by one of the experts, the PO shall commission a third independent expert to score that project. In such a case the project shall be ranked based on the average score calculated on the basis of the two scores with a smaller difference between them.

The Programme Operator shall establish an Evaluation Committee. The Evaluation Committee will consist of at least three voting members with relevant sector expertise, one of them external to the Programme Operator. The Evaluation Committee shall be chaired by the Programme Operator.

The Donor Programme Partner shall be invited to participate in the meetings of the Evaluation Committee as voting members. The Donors, the FMO, as well as the National Focal Point, shall be invited to participate in the meetings of the Evaluation Committee as observers.

The Programme Operator shall provide the Evaluation Committee with a list of the ranked projects. The Evaluation Committee shall review the ranked list of projects. It may modify the ranking of the project applications in justified cases based on transparent criteria. The minutes of the Evaluation Committee shall include the justification for the modifications.

The Evaluation Committee shall prepare a list of projects recommended for funding, or to be approved with conditions. The Evaluation Committee shall make a decision by consensus of all voting members. If consensus cannot be reached, the decision may be taken by a majority of all voting members. Any dissenting opinions shall be included in the minutes of the Evaluations Committee.

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the recommendations from the Evaluation Committee comply with the rules and objectives of the programme. Following such verification, the Programme Operator shall, based on the recommendation of the Evaluation Committee, decide which projects shall be supported.

The Programme Operator shall notify the applicants about the results of the selection process within a reasonable time and publicise the results. All unsuccessful applicants shall be provided with a brief description of the reasons for the decision and given a reasonable time to appeal that decision.

4.3 Project grant rate:

Grants to all projects from the programme may be up to 100% of total eligible expenditure of the project. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. The remaining costs of the project shall be provided or obtained by the project promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

1) ""Enhanced tools for creating equal opportunities in education for pupils with disabilities""

Project Promoter:	Croatian Academic and Research Network (CARNET)
Donor project partner(s):	Department of Education and Youth, City of Reykjavik

Other project partner(s):	Faculty of Education and Rehabilitation Sciences, University of Zagreb Faculty of Electrical Engineering and Computing, University of Zagreb
Total maximum eligible costs:	€ 3,529,412
Project grant rate:	100.00 %
Maximum project grant amount:	€ 3,529,412

The project will, with the help of assistive technologies and trained professional staff, contribute to creating equal opportunities in education for children with disabilities attending 'Centres for Training and Education (CTEs)'.

Project activities include:

- Equipping CTEs with assistive technologies based on a needs analysis individually tailored to each CTEs (including, type and amount of equipment already available, number of children attending, types of disabilities).
- Training professional staff at the CTEs on the use of assistive technologies as a tool and teaching methods regarding teaching children with disabilities as well as sharing best practice on the use of assistive technologies (through e.g. workshops, conferences and study visits).
- Awareness raising activities focusing on inclusive education for children with disabilities.

2) ""Enhanced Strategic Planning at Regional and Local Levels in Croatia""

Project Promoter:	Ministry of Regional Development and EU Funds - Croatia
Other project partner(s):	Organisation for Economic Co-operation and Development (OECD)
Total maximum eligible costs:	€ 1,082,579
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,082,579

The project will strengthen the administrative, managerial, organisational and governance capacity, particularly at regional and local levels, to implement the National Development Strategy 2030 (NDS 2030) in Croatia.

Project activities include:

- Drafting an analytical 'Multi-level Governance Report on Integrated Investments'. This analytical report will focus on the approach to deliver the NDS though integrated investments at the regional and local levels which will raise regional competitiveness and enable industrial transition.
- Knowledge sharing forums and partnership building activities, implemented through three multi-stakeholder Regional Forums on multiple topics linked with the Multi-level Governance Report.
- Strengthening capacity for strategic planning and management of development at the regional and local levels; This will include the preparation and organisation of five education modules (seminars) for Croatia's network of regional coordinators which will focus on regional development policy and multi-level governance instruments and practices.
- Specific recommendations for the regions.

3) ""Investigation of seismically vulnerable areas in Croatia and seismic ground motion assessment""

Project Promoter:	University of Zagreb, Faculty of Science; Department of Geophysics
Donor project partner(s):	University of Bergen, Department of Earth Science, University of Bergen
Total maximum eligible costs:	€ 2,117,647
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,117,647

The objective of the project is to facilitate development and modernization of seismic hazard assessment in Croatia and provide knowledge and tools for the development of seismic risk reduction policies through an improved scientific infrastructure, increased capacity building and knowledge transfer, including communication with policymakers and other stakeholders and international research cooperation. The project aims to be an important contribution to making the Croatian society more resilient to the impact of destructive earthquakes.

The project consists of following components:

Component 1 – Assessment of seismogenic potential and characterization of the seismic fault systems and fault behaviour on the basis of newly collected data using modern seismological methods

Component 2 – Development of attenuation relations for predicting seismic ground motion (GMPE – ground motion prediction equation)

The activities include:

1. Research equipment procurement, including seismographs/gnss units, geologic field equipment, servers and data storage, computer equipment

2. Off-road vehicle procurement

3. Research activities, including installation of instruments, collection of data, development of new structural models of selected investigated region, seismogenic potential and seismotectonic interpretation and development of attenuation relations for Croatia.

4. Dissemination of results and project visibility, including dissemination of the results in the scientific community, policymakers and local governments (paper publishing, organising conferences, reporting on the results directly to stakeholders)

5.2 Financial Instruments
Not applicable

6. Programme Management
6.1 Payment flows
Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments to the projects shall be based on approved project reports.

In cases where the Project Promoter is a direct state budget user, the Programme Operator will not pay directly to the Project Promoter but announce the need of payment to the State Treasury according to their internal procedures.

Payments of the project grant shall take the form of advance payments, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project implementation duration and the programme areas as follows:

Project Implementation Duration	First Advance payment	Interim payments	Final Payment (reimbursement)
< 12 Months	Up to 50%	At least 20%	At least 30%
12-18 Months	Up to 30%	At least 40%	At least 30%
≥18-Months	Up to 20%	At least 60%	At least 20%

The first advance instalment shall be paid following the signature of the project contract. Subsequent payments shall be paid after the approval of project interim reports from PO. The final payment, if applicable, will be paid after approval of the final report from PO.

For both interim and final payments, the payment shall be made within 1 month of the approval of the interim and final report. The approval of project interim and final reports shall take place within 60 days from the submission of the required information.

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the Programme Operator's management and control systems.

6.2 Verification of payment claims

Project promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation on–the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The detailed procedure for verification will be further detailed in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the Donors.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions and templates received from the FMO.

6.4 Programme administrative structures

The tasks of the Programme Operator shall be carried out by the Service for Management, Monitoring & Evaluation of EU Programmes and International Financial Mechanisms of the Sector for EU programmes and International Financial Mechanisms, at the Directorate for Strategic Planning and coordination of EU Funds of the Ministry of Regional Development and EU Funds of the Republic of Croatia. Independence and functional separation from the Independent Sector for Strategic Development Management and Coordination of Investments from EU Instruments, acting as project promoter for the PDP 2 "Enhanced Strategic Planning at Regional and Local Levels in Croatia", shall be ensured.

7. Communication

The Programme Operator shall comply with Article 3.3 of the Regulations, the Information and Communication Requirements in Annex 3 of the Regulations and the Communication plan for the programme.

8. Miscellaneous

Not applicable