Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

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 "Justice and Home Affairs"

hereinafter referred to as the "Programme"

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) 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 Norwegian Financial Mechanism 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 Norwegian Financial Mechanism 2014-2021:

(a) Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the Agreement);(b) the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 10(5) of the Agreement;

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

(d) any guidelines adopted by the NMFA in accordance with the Regulation.

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation 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 Regulation, 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 Regulation.

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 Norwegian Financial Mechanism 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 Regulation 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 Regulation, 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 NMFA 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. In case the Programme is also supported by the EEA Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

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

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

(b) 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 NMFA with reference to paragraph 2 of Article 6.3 of the Regulation. 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 Regulation 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 NMFA 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 Regulation as well as statistical reporting in accordance with guidelines adopted by the NMFA.

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 Regulation 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 NMFA.

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 NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.

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

Article 2.10
Communication

1. All communication to the NMFA 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 NMFA 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 NMFA 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 NMFA 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 Regulation and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulation 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 Regulation.

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 Regulation.

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 Regulation. 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 Regulation.

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

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 Regulation.

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 Regulation, 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 Regulation, 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 Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulation, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulation as well as indirect costs in accordance with Article 8.5 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulation. 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 NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulation.

5. 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 Regulation.

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 Regulation 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 Regulation.

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 Regulation.

5. Chapter 9 of the Regulation 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 Norwegian Financial Mechanism 2014-2021 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.5
Irregularities, suspension and reimbursements

The NMFA has the right to make use of the remedies provided in the Regulation, 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 Regulation 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 NMFA 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 NMFA 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 Regulation or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulation has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulation, 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 Regulation 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 NMFA, 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 NMFA to make use of the remedies provided in Chapter 13 of the Regulation.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the NMFA, 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 NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The NMFA does 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 NMFA 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 NMFA, its officials or employees, 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	For the National Focal Point
Signed in Zagreb on 04/06/2019	Signed in Zagreb on 04/06/2019
.....	.....
Astrid Versto Ambassador, Royal Norwegian Embassy in Zagreb	Gabrijela Žalac Head of the National Focal Point Minister, Ministry of Regional Development and EU Funds

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Justice, Public Administration and Digital Transformation
Donor Programme Partner:	Norwegian Courts Administration (DA)
IPO:	Council of Europe (CoE)
Other Programme Partner(s):	-

Programme Objective	Strengthened rule of law

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA21	Outcome 1	Increased effectiveness and efficiency of the judiciary	Share of court-annexed mediation cases in the total number of civil litigation cases	N/A	Percentage	Court records	Semi-annually (APR and September IFR)	0.35 %	2018	0.95 %
			Share of judges and judicial personnel at the Split Court satisfied with working conditions	N/A	Percentage	Survey results	2022	29 %	2020	80 %
			Annual number of court users and citizens using e-services	N/A	Annual number	MJPA statistics	Annually (APR)	1,484,370	2018	1,622,011
			Share of recommendations on improving the methodology of the evaluation of judges' performance officially adopted by the State Judicial Council	N/A	Percentage	Amended Methodology of the evaluation of judges		N/A	N/A	20 %
	Output 1.1	System of (civil and commercial)	Analysis of the existing mediation system in comparison with other	N/A	Binary	Copy of the analysis	Semi-annually (APR and	No	N/A	Yes

		court-annexed mediation reinforced	European states carried out				September IFR)			
			Socio-legal examination of the reasons behind the underutilisation of mediation carried out	N/A	Binary	Copy of study	Semi-annually (APR and September IFR)	No	N/A	Yes
			Manual on court mediation developed	N/A	Binary	Copy of the manual on court mediation	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of professional staff trained	Gender	Number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	500
			Number of awareness raising campaigns carried out	N/A	Number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	1
			Number of people reached by awareness raising campaign	N/A	Number	Project Promoters' records, Survey results	Semi-annually (APR and September IFR)	0	N/A	1,500,000
	Output 1.2	Judicial infrastructure upgraded	Municipal Court building in Split reconstructed and operational	N/A	Binary	Construction acceptance document, on-the-spot verifications	Semi-annually (APR and September IFR)	No	N/A	Yes
	Output 1.3	Capacity of judges reinforced	Number of judges seconded to European Court of Human Rights	Gender	Number	ECHR's records	Semi-annually (APR and September IFR)	0	N/A	3

	Output 1.4	Use of e-services within the judicial system reinforced	Analysis of e-services within the judicial system used by the citizens completed	N/A	Binary	Copy of the analysis of e-services	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of awareness raising campaigns promoting the use of e-services carried out	N/A	Number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	1
			Number of people reached by the awareness raising campaign promoting the use of e-services	N/A	Number	Marketing agency's reports	Semi-annually (APR and September IFR)	0	N/A	1,000,000
			Recommendations for improving existing and introducing new judicial e-services drafted	N/A	Binary	Copy of the recommendations	Annually (APR)	N/A[1]	N/A	Yes
	Output 1.5	System of the evaluation of the performance of judges revised	Comparative analysis study of evaluation of the performance of judges in two EU member states completed	N/A	Binary	Copy of the comparative analysis study	Semi-annually (APR and September IFR)	No	N/A	Yes
			Recommendations for improving the methodology of the evaluation of judges' performance elaborated	N/A	Binary	Copy of the recommendations	Semi-annually (APR and September IFR)	No	N/A	Yes
PA19	Outcome 2	Improved correctional services	Number of persons under the electronic monitoring system	N/A	Cumulative number	MJPA statistics	Annually (APR)	0	N/A	150
			Share of custodial sentences in the total	N/A	Percentage	MJPA statistics	Annually (APR)	19.5 %	2018	19 %

[1] No

			number of criminal convictions							
			Level of perceived quality of cooperation between prison and probation staff	N/A	Scale 1-5	Survey results	Annually (APR)	3.46	2020	4[2]
	Output 2.1	Electronic monitoring system implemented	Number of electronic monitoring bracelets/anklets procured	N/A	Cumulative number	MJPA statistics	Semi-annually (APR and September IFR)	0	N/A	150
			Electronic monitoring centre set up	N/A	Binary	Project Promoter's records	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of probation and prison staff and judges, prosecutors, police and other relevant stakeholders trained in electronic surveillance of offenders	Gender	Number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	200
	Output 2.2	Probation service's material and technical working conditions upgraded	Number of existing probation offices with upgraded infrastructure	N/A	Number	On-the-spot verifications, photos	Semi-annually (APR and September IFR)	0	N/A	14
			Number of new mobile units in use by probation offices, Central office and Electronic monitoring centre	N/A	Number	On-the-spot verifications, photos	Semi-annually (APR and September IFR)	0	N/A	4
	Output 2.3	Tools for the enforcement of correctional	Scientific validation of the Risk Assessment System and its adjustment completed	N/A	Binary	Copy of the validation document	Semi-annually (APR and	No	N/A	Yes

[2] Target is minimum 4

		measures and sentences improved					September IFR)			
	Output 2.4	Cooperation between prison and probation system strengthened	Analysis of the needs and possibilities for improving cooperation between prison and probation system carried out	N/A	Binary	Copy of the analysis	Semi-annually (APR and September IFR)	No	N/A	Yes
			Annual number of regular periodic meetings between prison and probation staff on national and regional level	N/A	Annual number	Project Promoter's records, Attendance-sheets	Semi-annually (APR and September IFR)	0	N/A	6
			Number of prison staff trained[3]	Gender	Number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	30
			Number of probation staff trained[4]	Gender	Number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	30
			Pilot project of strengthening cooperation between prison and probation system implemented	N/A	Binary	Project Promoter's records	Semi-annually (APR and September IFR)	No	N/A	Yes
PA21	Bilateral Outcome	Enhanced collaboration between beneficiary	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey carried out on behalf of the FMO	Annually (APR)	7	2020	4.5[5]

[3] In cross-sectoral and inter-departmental cooperation on monitoring and assisting parolees; cooperation on preparation and implementation of post-penal protection (can be adjusted later).
[4] In cross-sectoral and inter-departmental cooperation on monitoring and assisting parolees; cooperation on preparation and implementation of post-penal protection (can be adjusted later).
[5] Target is ≥4.5, and an increase on the baseline value

		and donor state entities involved in the programme	Level of satisfaction with the partnership	N/A	Scale 1-7	Survey carried out on behalf of the FMO	Annually (APR)	6.5	2020	4.5[6]
			Share of cooperating organisations that apply knowledge acquired from bilateral partnerships	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50[7]
	Bilateral Output 1	Cooperation between donor and beneficiary State entities supported	Number of training courses co-organised by donor state and beneficiary state entities	N/A	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	5
			Number of participants from beneficiary states in bilateral exchanges	Donor State, Gender, Type of exchange	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	15
			Number of participants from donor states in bilateral exchanges	Donor State, Gender, Type of exchange	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	10
			Number of joint articles published	N/A	Number	Relevant publications	Semi-annually (APR and September IFR)	0	N/A	2
			Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project	Semi-annually (APR and September IFR)	0	N/A	3

[6] Target is ≥4.5, and an increase on the baseline value
[7] Target is minimum 50 %

						Promoters and project partners				

Conditions

General

1. The National Focal Point shall ensure that the Programme Operator ensures that project promoter's:

- 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.

2. The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 66%.

3. For Outcome 1 indicator "Share of judges and judicial personnel at the Split Court satisfied with working conditions", where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months after signing the project contract for the relevant pre-defined project.

4. For Outcome 2 indicator "Level of perceived quality of cooperation between prison and probation staff", where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months after signing the project contract for the relevant pre-defined project.

5. For the pre-defined projects 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.

6. For pre-defined project no. 1 (numbering under Section 5.1 of Annex II to the Programme Agreement), the Programme Operator's responsibilities regarding the verification of payment claims described in Article 5.6.1 e) of the Regulation, and the Programme Operator's monitoring and control functions described in Article 5.6.1 g) of the Regulation, shall be externalised and carried out by a legal entity independent of and unrelated to the Programme Operator. The NMFA shall approve the entity to be charged with these tasks prior to the first disbursement to the pre-defined project.

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 (€)		€ 17,105,882
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		-
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 14,540,000
Maximum amount of Programme grant - Total (€)		€ 14,540,000

PA	Budget Heading	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA21	Programme management	€ 682,500	€ 682,500	85.00 %	€ 120,441	€ 802,941	n/a
PA21	Outcome 1 (Norway Grants)	€ 12,387,000	€ 12,387,000	85.00 %	€ 2,185,941	€ 14,572,941	n/a
PA19	Outcome 2 (Norway Grants)	€ 1,470,500	€ 1,470,500	85.00 %	€ 259,500	€ 1,730,000	n/a
Total		**€ 14,540,000**	**€ 14,540,000**	**85.00 %**	**€ 2,565,882**	**€ 17,105,882**	**€ 0**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 80,294

Justice and Home Affairs

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoU, the concept note, and comments made by the NMFA. 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 Ministry of Justice and Public Administration. The Norwegian Courts Administration (DA) is the Donor Programme Partner. The Council of Europe (CoE) is the International Partner Organisation (IPO).

The programme objective, "Strengthened Rule of Law", shall be attained through two outcomes:

- The programme shall support the outcome "Increased effectiveness and efficiency of the judiciary" (Outcome 1) by way of 3 pre-defined projects:
    - "Reconstruction of the Municipal court building in Split and promotion of e-services" (PDP 1),
    - "Revising the methodology of the evaluation of judges' performance" (PDP 3),
    - "Reinforcing the system of court-annexed mediation" (PDP 4).
- The programme shall support the outcome "Improved correctional services" (Outcome 2) by way of one pre-defined project:
    - "Strengthening human rights protection and public safety through improving capacities of the Croatian Probation Service (PDP 2).

2. Eligibility

2.1 Eligible applicants:

Not Applicable.

2.2 Special rules on eligibility of costs:

Costs are eligible in accordance with Chapter 8 of the Regulation.

3. Bilateral relations

3.1 Bilateral relations

The Programme shall contribute to strengthening bilateral relations between Croatia and Norway.

The further use of the funds for bilateral relations allocated to the programme shall be agreed in the Cooperation Committee.

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):

Not Applicable.

4.2 Selection procedures:

Not Applicable.

4.3 Project grant rate:

Project grant rates for the pre-defined projects are set in Section 5.1.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be four pre-defined projects implemented under the programme:

1) “Reconstruction of the Municipal court building in Split and promotion of e-services”

Project Promoter: General Secretariat of the Ministry of Justice and Public Administration
Donor project partner: Norwegian Courts Administration
Other project partners: Judicial Academy

Programme outcome the project contributes to: ‘Increased effectiveness and efficiency of the judiciary’

Total maximum eligible project costs: € 12,672,941

Project grant rate: 100%
Maximum project grant amount: € 12,672,941

The project will improve the effectiveness of the court system through upgrading the court infrastructure in Split and enhance the level of satisfaction with Croatian judicial system both for citizens and court employees. The project will also include the component on reinforcing and promoting e-services within the judicial system available to citizens. To increase efficiency and effectiveness of judiciary, with special emphasis on human capacities, secondment of judges to European Court of Human Rights in Strasbourg is envisaged in cooperation with the Council of Europe. The Norwegian Courts Administration (NCA) will support the project by providing experiences from use of e-services within the Norwegian judiciary. The NCA will also host study visits to Norway where NCA and MoJ experts will analyse the Norway e-services and collect recommendation for future services. Independent Croatian experts (Market and PR experts) will carry out the analysis and provide recommendations for improving existing and introducing new e-services within the Croatian judiciary considering the recommendations from the study visit.

The project will include the following main activities:

- Reconstruction of the infrastructure at the Municipal Court in Split, including construction of the additional third floor of the building and purchasing equipment,
- Secondment of judges to the European Court of Human Rights in Strasbourg for a duration of 12 months,
- Reinforcement of the e-services in the judicial system through analysis with recommendations of improvements, awareness-raising campaign to increase the citizens’ use of e-services and bilateral cooperation through e.g. study visits and sharing of best practises.

2) “Strengthening human rights protection and public safety through improving capacities of the Croatian Probation Service”

Project Promoter: Directorate for Prison System and Probation of the Ministry of Justice and Public Administration
Donor project partner: Directorate of the Norwegian Correctional Service
Other project partners: Not applicable

Programme outcome the project contributes to: ‘Improved correctional services’

Total maximum eligible project costs: € 1,730, 000
Project grant rate: 100%
Maximum project grant amount: € 1,730, 000

The project will secure the implementation of electronic monitoring into the Croatian criminal justice system and the advancement of the Risk Assessment System which probation officers use for performing their daily duties. The project will also strengthen the capacity of the correctional services in Croatia, including the cooperation with other stakeholders. The Directorate of the Norwegian Correctional Service will support the project e.g. by engaging experts in all phases of the introduction of electronic monitoring.

The project will include the following main activities:

- Implementation of electronic monitoring system of sentenced persons through e.g. establishment of an electronic monitoring center and necessary equipment to perform electronic monitoring,
- Bilateral activities including sharing of best practises, training and conferences
- Improvement of the probation service's material and technical working conditions through e.g. upgrading of offices,
- Improvement of Risk Assessment System (RAS) as a foundation for planning and executing probation tasks for the enforcement of correctional measures and sentences
- Strengthened cooperation between the prison and probation system through implementation of a pilot projects which includes e.g. mutual exchange of deployment of officers.

3) "Revising the methodology of the evaluation of judges' performance"

Project Promoter: Directorate for Organisation of Judiciary of the Ministry of Justice and Public Administration
Donor project partner: Norwegian Courts Administration
Other project partners: State Judicial Council

Programme outcome the project contributes to: 'Increased effectiveness and efficiency of the judiciary'

Total maximum eligible project costs: € 400,000
Project grant rate: 100%
Maximum project grant amount: € 400,000

The project will improve the system of performance of judges. The project will conduct an analysis of the existing evaluation system in Croatia, including consultations with relevant stakeholders and study visit(s) to EU countries to perform a comparative analysis of different evaluation systems. The project will include recommendations for the improvement of and the following amendment of the methodology on the evaluation system of judges' performance. Additional activities will be defined during project implementation.

The NCA will support the project by providing advice in the initial analysis of the current system of evaluation of judges' performance in Croatia, the comparative analysis of the system of evaluation of judges' performance in three European countries and in the elaboration of recommendations for improvement of the current evaluation scheme.

The project will include the following main activities:

- Elaboration of an analysis of the existing system of evaluation of judges, including meetings with relevant stakeholders,
- Elaboration of a comparative analysis of evaluation of performance of judges in other EU member states,

- Elaboration of the recommendations for the improvement of the Methodology of the evaluation of judges' performance and the implementation of these recommendations,
- Organization of the conference for the presentation of recommendations for improving the Methodology of the evaluation of judges' performance to the relevant stakeholders.

4) “Reinforcing the system of court-annexed mediation”

Project Promoter: Directorate for Civil, Trade and Administrative Law of the Ministry of Justice and Public Administration
Donor project partner: Norwegian Courts Administration
Other project partners: Judicial Academy

Programme outcome the project contributes to: ‘Increased effectiveness and efficiency of the judiciary’

Total maximum eligible project costs: € 1,500,000
Project grant rate: 100%Maximum project grant amount: € 1,500,000

The project will enhance the use of mediation as a conflict resolution mechanism in courts in Croatia and thus improve the efficiency of the judicial system. The project will seek to improve the current system through identifying weaknesses, identifying best practises through comparative studies and bilateral cooperation and implement recommendations suggested through the project. The Norwegian Courts Administration (NCA) will support the project by providing advice in the analysis of the existing mediation system in comparison with other European states and in the sociological-legal examination of the reasons behind the underutilization of mediation. The NCA will also conduct and host study visits to Norway as far as this is deemed relevant for the implementation of the project.

The project will include the following main activities:

- Analysing the existing mediation system in comparison with other European states will be carried out to highlight the possibilities for improving the Croatian mediation system,
- Examining the sociological-legal reasons behind the underutilization of mediation,
- Developing a manual on court-annexed mediation,
- Training of professional staff,
- Popularizing mediation among the citizens through awareness raising campaign.

5.2 Financial Instruments
Not Applicable.

6. Programme Management
6.1 Payment flows
The 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.

Payments of the project grant shall take the form of interim payments and a final payment. There will be no advance payments to the Project Promoters from the Programme Operator because the programme consists of pre-defined projects and the Project Promoters are internal organizational units within the Ministry of Justice and Public Administration

The approval of project interim and final reports shall take place within the terms and deadlines determined in national regulations.

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

Programme Operator will verify that the expenditures declared by Project Promoters have been incurred and comply with the Regulation, the Programme Agreement, as well as applicable national and European Union law and that the financial contribution is used exclusively for the programme and its projects and according to the Programme Agreement.

Verifications to be carried out by the Programme Operator shall cover administrative, financial, technical and physical aspects of the project, as appropriate and be in accordance with the principle of proportionality.

Verifications shall include the following procedures:

- administrative verifications in respect of incurred expenditures reported by Project Promoter to be carried out before approval of each interim and final project report.
- on–the-spot verifications.

The procedures for administrative and on-the-spot verifications shall 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 Independent Sector for Strategic Development and Projects of the Ministry of Justice and Public Administration . Independence and functional separation from the following Directorates of the Ministry of Justice and Public Administration, acting as project promoters, shall be ensured:

- General Secretariat of the Ministry of Justice and Public Administration – acting as project promoter for pre-defined project no.1 "Reconstruction of the Municipal court building in Split and promotion of e-services";
- Directorate for Prison System and Probation of the Ministry of Justice and Public Administration – acting as project promoter for pre-defined project no. 2 "Strengthening human rights protection and public safety through improving capacities of the Croatian Probation Service";
- Directorate for Organisation of Judiciary of the Ministry of Justice and Public Administration - acting as project promoter for pre-defined project no. 3 "Revising the methodology of the evaluation of judges' performance"; and
- Directorate for Civil, Trade and Administrative Law of the Ministry of Justice and Public Administration- acting as project promoter for pre-defined project no. 4 "Reinforcing the system of court-annexed mediation"

7. Communication

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

8. Miscellaneous

Not Applicable.