



Minutes
from the Annual Meeting within the EEA and Norway Grants 2014-2021 in Croatia
held on the 22 September 2022

Attendees:

National Focal Point (NFP)

Mr Šime Erlić, State Secretary, Deputy Head of NFP

Ms Natalija Laštro, Head of Sector

Ms Kristina Tatarović, Head of Service

Ms Maja Jelić Petković, Head of Department

Ms Kristina Malenica, Acting Head of Department

Ms Mara Miljak, Senior Expert Adviser

Ministry of Foreign Affairs of the Kingdom of Norway

Mr Jon Erik Strømø, Director of Section for Central Europe and the EEA and Norway Grants

Ms Annlaug Rønneberg, Senior Adviser,
Section for Central Europe and EEA and
Norway Grants

Royal Norwegian Embassy in Zagreb

H.E. Mr Haakon Blankenborg, Ambassador

Ms Homma Latif, Deputy Ambassador

Ms Maja Dodić, Senior Project Adviser

Embassy of Iceland in Berlin

Mr Ágúst Már Ágústsson, Deputy Head of Mission

Financial Mechanism Office (FMO)

Mr Borgar Thor Einarsson, Deputy Managing Director, Director of Country and Bilateral Department

Ms Dimitra Fellner, Country Officer

Note: The minutes shall be read in conjunction with PowerPoint presentation on the status of the Programmes' implementation held on the meeting and attached as Annexe to these Minutes.

Opening statements

In his opening statement, State Secretary as a Deputy Head of the National Focal Point (NFP), welcomed the participants in Zagreb, expressed his satisfaction to participate at the meeting and pointed out the importance of the EEA and Norway Grants for Croatia. He pointed out that we can all conclude that remarkable step forward has been done in the past period regarding the implementation of the Programmes what puts strong impetus toward utilization of funds. State Secretary mentioned that the three predefined projects visited yesterday were an example of how significant these projects are for Croatia. He highlighted several milestones reached within FMs' Implementation:

- During the last year a significant progress in programmes occurred which resulted in contracting projects and commencement of their implementation.

- Through the Local Development programme 31 projects were contracted which will ensure improvement of the skills and competencies of teachers and other educational workers in the primary school education system and modernize the space through the procurement of STEM equipment for schools. More than 80 primary schools will encounter improvement of the capacities of around 1,000 teachers and 6,000 students.
- The implementation of the pre-defined project with OECD has begun at the times when Croatia has officially started negotiations on joining the Organization for Economic Co-operation and Development (OECD). The beginning of the project is marked with initial conference held on the 14 June 2022.
- Energy and Climate Change Programme has the strategic importance in global context and its objectives are in line with EU priorities related to energy and climate policy. Within the Programme 34 projects were contracted which will increase the use of technologies with lower carbon emissions and increase the security of energy supply in the Republic of Croatia.
- Audit authority, within the audits performed, concluded that system is functioning well and in line with prescribed framework.

Mr Strømø thanked for very generous hospitality and emphasised his satisfaction to be able to participate at the meeting in person and with the project visits organized the day before the meeting. He also concluded that substantial progress was made in the past period, commended the interest that the Calls have produced, and number of contracts signed. Mr Strømø said that we have the same goal: "strengthen cooperation and to achieve good results". He also greeted the cooperation with OECD, since cooperation with international organizations are one of the priorities of the Donors. He emphasized that the focus should be on implementation as well as stepping up resources. In that respect he mentioned the donors' recommendation to utilise the TA fund to increase NFP capacity, particularly for the work on the BF.

In his opening statement, the Norwegian Ambassador stated his satisfaction with the sound overall progress of the financial instruments and emphasised that now is the time for producing results. In the upcoming period, having in mind global crises on the one hand and the short period of time remaining for implementation on the other, we should all be flexible and focus on finding most effective solutions to ensure smooth implementation.

Mr Ágústsson also expressed his satisfaction with the overall progress in the past period. He also pointed out close cooperation especially within JCBF and in strengthening of bilateral relations.

The Annual Strategic Report

State Secretary Erlić, on behalf of the NFP, presented the main points of the draft Strategic Report submitted in July 2022 and expressed his hope to receive the Donor's approval of the report at the beginning of the Annual Meeting. Also, he reflected on the FMO's letter regarding the non-extension of the eligibility period received recently. He stressed that Croatia is aware of the Donors' position, but since the external factors (war in Ukraine, earthquakes in Croatia, Covid pandemic) had spill over effect on the Grants, he would still like to "leave the door open" on this subject, however, best efforts are made to implement programmes and to reach as much as possible absorption of funds available.

Following the State Secretary introductory words speech, Ms Laštro provided a short overview of the submitted Annual report.

Regarding the non-extension, Mr Strømø explained the Donors position - although the extension is not feasible, Donors want to show flexibility meaning mitigation measures which can increase the absorption of funds, such as reallocation in and between the programmes and further flexibility

measures that will be explained in more detail to all beneficiary states. The donors are open to discussions regarding this matter to jointly find the most effective solution. Mr Strømø added that the FMC will provide more clarifications on this matter.

The Donors stated that the Strategic Report is of good quality and formally approved it.

Developments of Programmes

1. *Home and Justice Affairs Programme*

NFP presented the latest developments regarding this programme.

The Donors expressed their satisfaction with the implementation of the Programme especially regarding the major progress within the PDP of reconstruction of the Municipal Court in Split.

In addition, Donors greeted the positive conclusions of the external evaluation related to the third-floor extension and the budgetary consequences for the PDP 1 "Reconstruction of the Municipal Court building in Split and promotion of e-services" which had confirmed that costs are correct, reasonable, and realistic within the market.

2. *Energy and Climate Change Programme*

The NFP presented the recent developments considering this Programme with an emphasize on adoption of the Management and Control System and launching of all 6 calls and contracting grant agreements within 4 calls. These achievements have been crucial and provide a solid structure for implementation of the Programme.

The Donors expressed their satisfaction with the activities within PDP "Establishment of the National Training Centre for Nearly Zero Energy Buildings" visited and presented the day before.

Donors have shown satisfaction that the risk regarding the lack of administrative staff has now been reduced with newly formed units due to the new amendments to the Rulebook on the internal order of the Ministry of Regional Development and EU Funds by which, also functions within PO have been divided to secure adequate procedures.

Regarding the global uncertainty related to inflation and prices rising, NFP and PO are encouraged to regularly communicate with FMO that will try to provide the guidance and seek for solution to diminish the risks for implementation of the Programme.

3. *Local Development and Poverty Reduction*

The NFP reported on the progress regarding the Programme. Within call 'Improved Skills and Competencies of Teachers and Other Educational Workers in Primary Education' 9 projects have been awarded in amount of 1.382.580EUR. Within the call 'Strengthened STEM Skills in Primary Schools and Development of Regional Science Centres for Stem Education in Primary Schools' 22 projects have been awarded a total amount of 21.782.850EUR.

The donors expressed their satisfaction with the progress achieved and the high level of interest caused by the calls. Mr Strømø pointed out how this is one of the key contributions of the Grants to Croatia. The Donors recommended that the NFP and the PO carefully monitor the implementation, especially provide their support to the schools regarding the procurement of the equipment.

The Donors expressed their satisfaction regarding the fact that all three PDPs are in implementation. Mr Strømø expressed his gratification for the visits and presentation of the CARNET project ATTEND and Investigation of seismically vulnerable areas in Croatia and seismic ground motion assessment.

4. The Active Citizens Fund Programme

The FMO presented the results of the Active Citizens Fund Programme. There is a high interest in the programme in the Croatian civil society. The additional funds provided from the Reserve for the Civil Society Programme have already been absorbed.

5. Business Development and Innovation Croatia Programme

The FMO presented the latest progress within the Business Development and Innovation Croatia Programme.

6. Fund for Youth Employment, Fund for Regional Development and Social Dialog – Decent Work

The NFP emphasised the importance of a regular working relationship between the NFP and the Fund Operator. Also, the NFP asked for more information regarding the centralized programmes when it comes to implementation, communication of results and achievements of the Programme, which was noted from the Donors and FMO's side.

The donors noted the good progress of the Active Citizens Fund Programme and expressed their satisfaction that the programme seemed able to absorb even more funds.

Management and Control System, Irregularities, Evaluation and Training

NFP presented the developments in the past period. Management and control system for programme Energy has been approved and established.

The Donors expressed their satisfaction with the fact that no irregularities have been reported.

Bilateral Fund

The NFP presented the status of implementation of the JCBF. In the second half of 2021 epidemiological measures related to COVID-19 had been tightened again and the restrictions negatively affected the utilisation of the Bilateral Fund. During the last year the cooperation within JCBF has been intensified, a number of meetings were held. An open call as new modality was introduced into the BF Work plan. As the result of close and constructive cooperation with the Norwegian embassy and FMO, the call text is being finalised and the launching of the Call is expected in October. The allocation of the call is 500.000 EUR with possibility of increasing the call allocation if a larger number of applications of a good quality is received. In parallel, the NFP will further explore the opportunity to achieve bilateral cooperation through new predefined initiatives.

The Donors expressed they are looking forward to further developments under the Bilateral Fund.

Publicity and Communication

NFP representatives reported the communication activities that were performed during the reporting period. The Donors pointed out the importance of clear communication and more visibility of the Grants to the public and potential beneficiaries and therefore NFP has been encouraged to use more funds to promote the Programmes. Also, it has been pointed out by the Donors that the Mid-term conference, which is planned within the Communication Strategy, promoting achieved results to the public could be organized next year in September together with the Annual meeting.

Recommendation for the upcoming period

Considering the limited time for implementation, the Donors encouraged the NFP and the POs to closely monitor the implementation especially in the view of global inflation. Also, it has been pointed out that since the negotiations with the EU have started and the programming for the next period is near, lessons learned from the current period as well as which programmes function should be considered when defining areas of priority.

Conclusions and closing remarks

For the closing words, progress made in the last year has been complemented once again by the Donors. They expressed their gratitude for the hospitality and the successful discussions. They pointed out that bilateral initiatives remain one of the priorities and that they are looking forward to the publishing of the call for BF and future cooperation. The Donors encourage NFP to stay in close dialogue with the FMO and the Norwegian Embassy and to continue the good work in the future.

Approved by State Secretary, Ministry of
Regional Development and EU Funds, National
Focal Point:

Mr Šime Erlić



Approved by Director of Section for
Central Europe and the EEA and Norway
Grants, NFMA:

Mr Jon Erik Strømø



