

**Minutes of the Annual Meeting within
the EEA and the Norway Grants 2014-2021 in Croatia**

Zagreb, 28 November 2024

Participants:

Ministry of Foreign Affairs of the Kingdom of Norway

Mr Lars Andersen, Chief Negotiator EEA and Norway Grants, NMFA, Section for Central and Southeast Europe
Ms Ingjerd Haugen, Coordinator of MoU negotiations, NMFA, Section for Central and Southeast Europe
Ms Liv Maren Røste, Senior Adviser, Section for Central and Southeast Europe

Royal Norwegian Embassy in Zagreb

Mr Arne Sannes Bjørnstad, Ambassador
Mr Helge Klouman Marstrander, Deputy Head of Mission
Ms Maja Dodić, Senior Project Advisor
Ms Annete Arneberg, Intern

Ministry of Foreign Affairs of Iceland

Ms Sigríður Eysteinsdóttir, Senior Advisor

Financial Mechanism Office (FMO)

Katrine Steinfeld, Head of Unit Country and Bilateral Cooperation, MoU Coordinator FMO
Dimitra Fellner, Senior Country Officer Croatia and Czechia

Ministry of Regional Development and EU Funds – National Focal Point (NFP)

Ms Iva Novak, Director of the Directorate for Strategic Planning and Coordination of EU Funds
Ms Natalija Laštro, Head of Sector
Mr Karlo Brunović, Head of Department
Ms Maja Jelić Petković, Head of Department
Ms Mara Miljak, Senior Analyst
Ms Ivana Kozjak, Senior Analyst
Ms Nina Boban, Senior Analyst

Opening statements

In her opening statement, Ms Novak pointed out the significant progress and achievements that have been made since the last annual meeting, in particular the success of Energy and Climate Change and Local Development and Poverty Reduction Programmes (LDPR), stressing that both programmes had only 21 months for implementation. Talking about many practical impacts of the Grants for the citizens, Ms Novak mentioned a project CRONOS¹ which improved the approach to seismic hazard assessment and risk reduction policies. Within the LDPR programme, more than 10,000 students at primary schools in Croatia participated in project activities and 3,200 education workers improved their skills and competencies in STEM, ICT, entrepreneurship and active citizenship, and access to justice was facilitated for 200 000 inhabitants of the Split area after opening the reconstructed Municipal Court building in Split city centre as a result of Justice and Home Affairs Programme. By implementing the Programmes, we also contribute to the niche goals contained in the strategic documents of the Republic of Croatia. On the country level, Ms Novak informed about economic progress and constant growth of GDP in the reporting period, as well as reduced unemployment and external debt. Ms Novak expressed gratitude for the outstanding support of the Financial Mechanism Office (FMO), and particularly Ms Fellner's support through this financial period.

Mr Andersen emphasized that the implementation of the EEA and Norway grants supports cohesion in Europe, but also contributes to the preservation of democracy and resilience and this work will be continued in the following period. Mr Andersen also expressed his satisfaction with the successful implementation of Grants in Croatia and stressed the good usage of flexibility measures to maximize the absorption of funds and thanked the National Focal Point (NFP) and FMO for their work.

Ms Eysteinsdóttir also thanked for all the work that has been done in this period and expressed her satisfaction with the continuation of cooperation in the future.

H.E. Bjørnstad said that this is an opportunity to assess what has been done, and how to improve the cooperation which brings the countries together, especially in a time of new challenges like the war in Ukraine.

Strategic Report 2023-2024

Ms Laštro presented the main points of the Strategic Report and added that current absorption rates for programmes Energy and Climate Change and LDPR are substantially higher since an additional 14 projects were completed after submission of the Strategic Report (submitted in September 2024). She added that 16 projects were using flexibility measures to carry out activities after 30 April 2024 by 30 September 2024 at the latest, with their funding: 4 (four) projects within the Local development programme and 12 (twelve) projects from the Energy programme.

¹ Visit to the CRONOS project, Department of Geophysics, Faculty of the Science University of Zagreb took place on 27 November 2024.

Project promoters had constant support from the Programme Operators (PO), which led to smooth implementation, and PO was supported by the NFP. Excellent cooperation was established with the country officer and the FMO team, which helped move things forward.

There were no changes in the management and control system of the NFP. Two new employees have joined the NFP and the plan is for two (?) more to join in the following period.

Mr Andersen confirmed the great absorption rate but also stressed the importance of the results that were achieved. He believes that the Strategic Report demonstrates the progress of EEA and Norway Grants in Croatia and efforts in proactively applying the flexibility measures. He also expressed appreciation for reporting irregularities, that are unavoidable in programme implementation, and submission of Audit Authority's report with no major findings. As a conclusion, Ms Andersen approved the Strategic Report.

Progress of Programmes managed by NFP

Justice and Home Affairs Programme

After Mr Brunović presented the status of the Justice Programme, a video about PDP 1 - *Reconstruction of the Municipal Court building in Split and promotion of e-services* that highlights the project's contribution to increasing the efficiency of the Croatian judiciary was shown. The video was part of #OurStories campaign.

Mr Andersen expressed satisfaction with the positive effect of the Programme on the rule of law in Croatia and the strong mutual benefit of the bilateral component. Mr Andersen wanted to know which part of the Justice Programme had the strongest impact in Croatia.

Ms Novak said that implementation of PDP 2 - *Strengthening human rights protection and public safety through improving the capacities of the Croatian Probation Service* and PDP 4 - *Reinforcing the system of court-annexed mediation* had strong effects because of development of essential judicial services infrastructure. She also acknowledged sharing experiences in court-annexed mediation since alternative dispute resolution is an integrated part of court proceedings in Norway. She added that excellent cooperation was achieved in the area of probation with the Norwegian correctional service.

Ms Haugen wanted to know if there are enough funds and interest for the continuation of using judicial e-services. Ms Novak replied that the e-services have been used for more than ten years in Croatia and their use is continuously expanding. Ms Haugen also wanted to know more about cooperation with the Council of Europe and Mr Brunović informed about CoE's mentoring and transfer of experience to Croatian judges during their secondment in Strasbourg which was part of PDP 1.

Energy and Climate Change Programme

After the presentation of the status of the Programme by Ms Jelić Petković, Mr Andersen accentuated that the Green transition and use of renewable energy will continue to be the priority in the new funding period. He is satisfied to see that EEA and Norway Grants are contributing to the use of low-carbon technologies in Croatia, which is one of the priorities of the EU Agenda. He

congratulated on Programme's progress despite the shorter implementation time and commended the usage of the flexibility measures. Mr Andersen wanted to know what is the added value and lessons learnt from the Programme.

Ms Novak pointed out the usage of geothermal energy, which has not been widely used in Croatia despite the potential, and which is now made possible by the transfer of knowledge. Related to expertise from Icelandic partner, Ms Eysteinsdóttir expressed her satisfaction with the strong bilateral component of the Programme and sharing of experiences.

Local Development and Poverty Reduction Programme

After the status of the Programme was presented by Ms Laštro, it was pointed out by Ms Novak that support from the Norwegian partners through regular coordination and communication is highly appreciated.

Since it was mentioned that it is expected that Croatia will join the OECD in 2026, Mr Andersen was curious about the details of the accession.

Ms Novak replied that Croatian strategic planning framework has been established in 2017 and throughout the period the capacities have been strengthened continuously not only at the national but also at the regional and local level which has been supported also through the OECD's support and through the adoption of OECD's recommendations.

Finally, the most important lessons learnt (on a general level, of all programmes) were presented and Ms Novak added that, this being the first fully implemented financial mechanism perspective, almost all project promoters were lacking experience in project management and Programme Operators and NFP were providing them with constant support which caused a lot of administrative burden for POs as well as NFP. With this in mind, future programmes should be thought through with an aim to use as much as possible capacities and structures developed in this perspective to with stand shortcomings that could be steaming from the 2021-2028 financial perspective implementation.

As one of the measures meant for simplification in the next perspective, Ms Fellner announced the introduction of simplified cost options and Ms Novak replied by pointing out some issues with this measure, especially that there is no possibility of preventing double financing, and that it would be best to implement via "of the shelf" solutions for all countries. Both parties agreed that this matter must be further examined.

Progress of Programmes managed by FMO

Ms Steinfeld expressed her satisfaction with the absorption rate and results of the Programmes, especially taking into consideration the shortened time for implementation. She shared that experiences with Project Promoters (PPs) were similar to those of the LDPR programme, and a lot of time and capacities were invested in support and outreach to applicants and PPs.

Ms Novak was interested in feedback about the future cooperation with Innovation Norway and Mr Andersen informed about further potential of cooperation in the area of blue growth. Innovation

Norway was successful in its role and bilateral cooperation has the largest potential for expansion, so Mr Andersen raised the question of the possibility of improving cooperation.

Ms Novak informed on the issue of state aid rules and explained that Innovation Norway is not obliged to enter data into the state register, which affects the credibility of the data in the register. The donors agreed this is a question of compliance and this should be noted for the next perspective.

Ms Novak was interested in the best Financial Mechanism Office practices for avoiding double financing. Ms Steinfeld informed about the self-declaration form which is used at the application phase and later on in the cost verification process. As a positive example of using complementary funding, Ms Fellner mentioned the CARNET project, which is financed through EU and EEA Grants, and the benefits of such synergy.

Bilateral cooperation

After NFP presented the status of Bilateral funds and lessons learnt, Ms Laštro emphasized that the administrative burden on the National Focal Point and the time-consuming process of approving initiatives could be mitigated by focusing on a smaller number of predefined initiatives with larger funds. Programme-level bilateral funds could be allocated in larger amounts, further strengthening cooperation in key strategic areas. Ms Novak pointed out a good cooperation with the Royal Norwegian Embassy in Zagreb which is important for smooth implementation of the Bilateral fund.

Mr Andersen highlighted good working relations between the Royal Norwegian Embassy in Zagreb and the National Focal Point through the implementation of a bilateral call *Strengthening Bilateral Cooperation with Norway in the Green Transition* which connected Norwegian and Croatian partners in areas of aquaculture, offshore energy production, circular economy, renewable energy and energy transition on islands. Donors are aware of the administrative burden placed on the NFP and expressed their satisfaction with the announced arrival of new employees, but they also underlined the potential of using the Technical Assistance, which has not been fully utilized.

Communication

After Ms Jelić Petković's presentation on key communication measures, a video was shown about project CRONOS in the LDPR Programme.

Mr Andersen pointed out the importance of increasing the visibility of EEA and Norway Grants with social media and further strengthening the cooperation with the Norwegian Embassy in Zagreb in the area of communication. He invited the National Focal Point to participate in workshops organised by the Financial Mechanism Office.

Conclusion and closing remarks

Lessons learnt and conclusions were briefly pointed out once again at the end of the meeting. The donors once again expressed their gratitude for the excellent implementation of EEA and Norway Grants and their satisfaction regarding cooperation with the NFP. The participants agreed that the negotiation process and signing of the Memoranda of Understanding for the next perspective should be faster to leave more time for Programme implementation.

Approved by

Minister of Regional Development
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Head of National Focal Point

Mr Šime Erlić



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Chief Negotiator EEA and Norway
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