



**Working together for
a green, competitive,
and inclusive Europe**



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EEA Financial Mechanism and Norwegian Financial Mechanism 2014 – 2021

2,8 billion euros/15 EU countries

Donor countries:

Iceland, Liechtenstein, Norway

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Europe



Introduction

The European Economic Area Financial Mechanism and the Norwegian Financial Mechanism represent the contribution of Iceland, the Principality of Liechtenstein and the Kingdom of Norway towards reduction of social and economic disparities in Europe. An important goal of the mechanisms is to strengthen bilateral cooperation between the Donor countries and the Beneficiary countries.

The funds allocated through the Financial Mechanisms are in line with the thematic objectives defined in the EU's ten-year EUROPE 2020 strategy with the goal to contribute to the boost and creation of new jobs.

Combat against adverse impacts of climate change and promotion of renewable and sustainable energy sources, as well as the reduction of poverty and social exclusion. The basis for the establishment of the Financial Mechanisms is the Agreement of the European Economic Area which entered into force in 1994 that enables Iceland, Liechtenstein and Norway to participate in the European internal market. According to the Agreement, each EU Member State has the right to join the European Economic Area and by doing that be allowed to use the funds of the Financial Mechanisms.

In the 1994 - 2014 period three Donor countries: Iceland, Liechtenstein and Norway allocated a total of 3,3 billion euros for various projects in the EU countries through the Financial Mechanisms.



1. EEA FINANCIAL MECHANISM AND NORWEGIAN FINANCIAL MECHANISM 2014 – 2021

The funding period 2014-2021 represents the most generous amount of funds provided so far.

A total of 2,8 billion euros is available to 15 Beneficiary countries (1,5 billion euros from the EEA Financial Mechanism and 1,3 billion euros from the Norwegian Financial Mechanism).

Funds from the EEA Financial Mechanism and the Norwegian Financial Mechanism are allocated based on five priority sectors.

Priority sectors in the programme period 2014-2021:

- 1. Innovation, research, education and competitiveness**
- 2. Social inclusion, youth employment and poverty reduction**
- 3. Environment, energy, climate change and low carbon economy**
- 4. Culture, civil society, good governance and fundamental human rights**
- 5. Justice and Home Affairs**

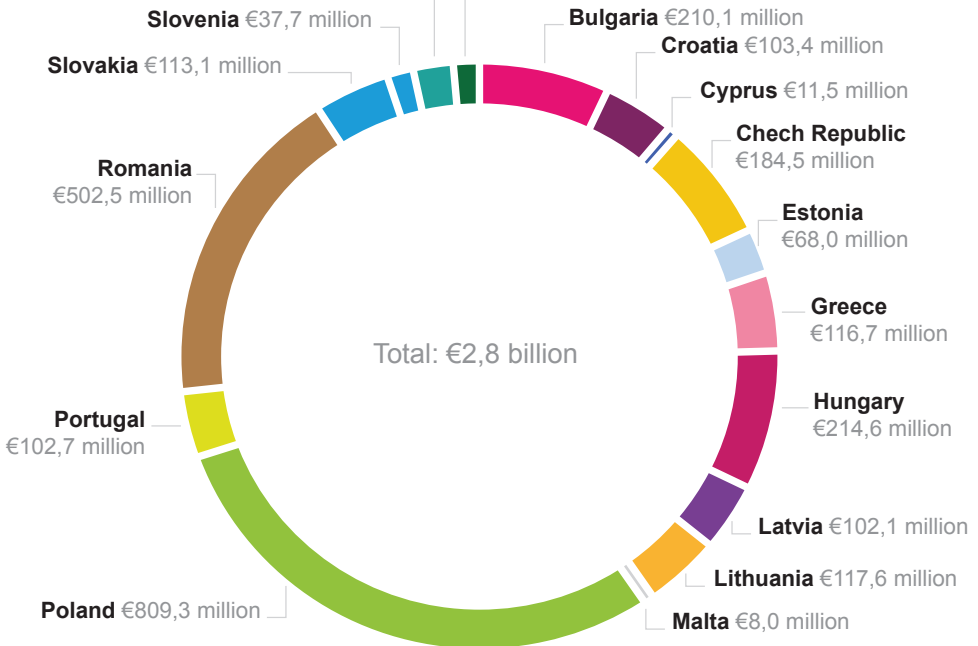
Apart from the Republic of Croatia, the Beneficiaries of the Financial Mechanisms for the period 2014-2021 are Estonia, Lithuania, Latvia, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Romania, Bulgaria, Cyprus, Malta, Greece and Portugal.

The amount of the financial contribution for each Beneficiary country is defined by the GDP per capital and the total population number of individual countries. The Beneficiary states of the EEA Financial Mechanism and the Norwegian Financial Mechanism 2014-2021 also ensure national co-financing.



The EEA and Norway Grants Fund for Youth Employment €65,5 million

The EEA and Norway Grants Fund for Regional Cooperation €34,5 million





Programs available in the Republic of Croatia

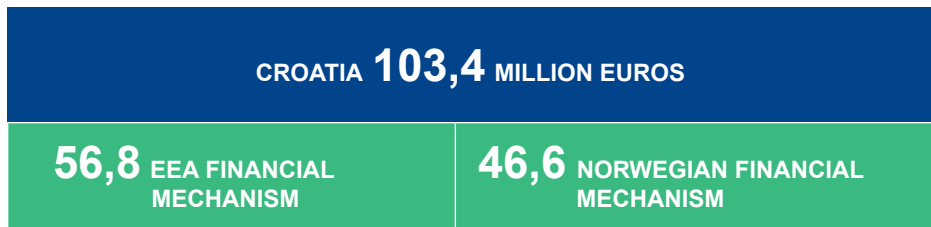
103,4 million euros

EEA Financial Mechanism/EUR 56,8 million

Norwegian Financial Mechanism/EUR 46,6 million

2. FINANCIAL MECHANISMS IN THE REPUBLIC OF CROATIA 2014 – 2021

A total of 103,4 million euros (56,8 million euros within the EEA Financial Mechanism and 46,6 million euros from the Norwegian Financial Mechanism) is available to the Republic of Croatia in the period 2014–2021. The national co-financing is 9,8 million euros, making the total available funds of 113,2 million euros.



Areas of financing in the Republic of Croatia were agreed during the negotiation process with the Donors, resulting in the signing of the Memorandum of Understanding on the implementation of the EEA Financial Mechanism for the period 2014-2021 and the Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism for the period 2014-2021.

2.1. Areas of financing

According to the signed Memorandums between the Republic of Croatia and the Donors, six programmes are defined as available for funding in the period 2014-2021:

1. Local development and poverty reduction
2. Energy and climate change
3. Justice and Home Affairs
4. Innovation, research, education and competitiveness
5. Civil society
6. Social dialogue

A part of the funds is intended to encourage bilateral cooperation through the Fund for bilateral relations and Technical assistance to the Beneficiary country.

2.2. National management and control structures

National Focal Point

is the national entity responsible for the overall implementation of the Financial Mechanisms for the period 2014-2021 as well as for implementation, monitoring, verification and evaluation of individual programmes and projects within the Financial Mechanisms. The role of the National Focal point in the Republic of Croatia is appointed to the Ministry of Regional Development and European Union Funds, Directorate for Strategic Planning and Coordination of EU Funds, Sector for EU Programmes and International Financial Mechanisms.

Programme Operator

is an entity responsible for the preparation and the implementation of individual programmes.

Three, out of six agreed programmes: Local development and poverty reduction, Energy and climate change and Justice and home affairs are under the direct management of the Croatian state administrative bodies.

The Ministry of Regional Development and EU Funds, beside the role of the National Focal Point, acts as a Programme Operator for the Local development and poverty reduction programme and the Energy and climate change programme, while the Ministry of Justice and Public Administration oversees the Justice and Home affairs programme.

The remaining three programmes: Innovation, research, education and competitiveness, Civil Society and Social Dialogue are under the direct management of the Financial Mechanism Office which appointed Programme operators for these three programmes.

Certifying Authority

is a national entity responsible for the certification of financial data. The Ministry of Finance, State Treasury, National Fund Affairs Sector acts as a certifying authority in the Republic of Croatia.

Audit Authority

is a national entity responsible for verifying the effective functioning of the management and control system. The Agency for Audit of European Union Programmes Implementation System (ARPA) acts as the Audit Authority in the Republic of Croatia.

Irregularities authority

is a national entity responsible for the preparation and submission of irregularities reports. The Service for Combating Irregularities and Fraud (SCIF) within the Ministry of Finance acts as the Irregularities Authority in the Republic of Croatia.

Project promotor

is an entity responsible for the preparation and implementation of an individual project ie. beneficiary of the funds.



2.3. Fund for bilateral relations

Under the EEA and Norway Grants a separate Fund for bilateral relations has been established. The value of the Fund for the Republic of Croatia in the programming period 2014-2021 totals up to 2,07 million euros.

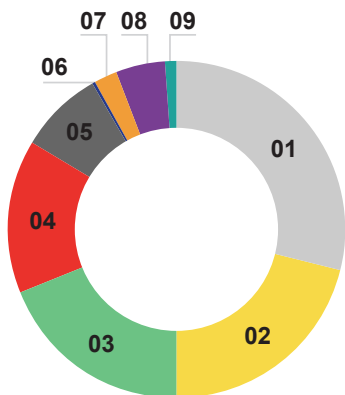
The aim of the Bilateral Fund is to strengthen bilateral cooperation and the promotion of mutual knowledge and understanding between the Donor countries and the Beneficiary State.

The Joint Committee for the Bilateral Funds shall consensually decide on the activities which will be funded under the Bilateral fund. This body consists of five members: representatives of the Ministry of Regional Development and EU funds - National Focal Point (chairing at the meetings of the Committee), the Ministry of Foreign and European Affairs of the Republic of Croatia and representatives of Donor countries (Embassy of the Kingdom of Norway in the Republic of Croatia, Embassy of Iceland in Berlin, Liechtenstein Mission at the European Union). The Financial Mechanism Office is also a member of the Joint Committee for the Bilateral Funds which participates as an observer, without the right to vote.

The Bilateral fund is intended to finance activities with the aim of networking, exchange and sharing of experience, knowledge, technology and good practice between organizations and entities from the Croatia and Iceland, Liechtenstein and Norway, as well as with international organizations.



No	Programmes	Thematic area	Programme Operator	Donor Programme Partner	Amount (mil. euros)
01	Local Development and Poverty Reduction	Local development and poverty reduction	Ministry of Regional Development and EU Funds	Norwegian directorate for higher education and skills	30,6
02	Innovation, Research, Education and Competitiveness	Business development	Financial Mechanism Office	Innovation Norway	22
03	Energy and Climate Change	Renewable energy sources	Ministry of Regional Development and EU Funds	Norwegian water resources and energy directorate	20
04	Justice and Home Affairs	Efficacy of the judiciary system	Ministry of Justice and Public Administration	Norwegian court administration	15,3
05	Civil Society	Civil society	Financial Mechanism Office		8,5
06	Social Dialogue	Decent work	Financial Mechanism Office		0,5
07	Fund for Bilateral Relations				2,06
08	Reserve				5,06
09	Technical assistance				1,06



2.4. How are the funds allocated?

The goals of the financial mechanisms are achieved through individual projects implemented within different programme areas.

Except for certain projects which are defined during the negotiation process, most projects and funds are allocated through Calls for project proposals.

2.5. Who can apply?

Calls for proposals are open to application for the state administration bodies, local and regional self - government bodies, educational and research institutions, entrepreneurs, non-profit organizations, business associations, clusters and social partners and others. Applicants and eligible partners are defined within each call for proposal.



3. PROGRAMS AVAILABLE IN THE REPUBLIC OF CROATIA

Local Development and Poverty Reduction

EEA Financial Mechanism/EUR 25 million
Norwegian Financial Mechanism/EUR 1 million
National contribution/4,6 million euros

3.1. LOCAL DEVELOPMENT AND POVERTY REDUCTION PROGRAMME

Programme area: Local Development and Poverty Reduction

Programme goal: Strengthening of social and economic cohesion through financing of projects in primary education areas with focus on STEM.

The total value of the program is 30,6 million euros, 25 million euros is financed from the EEA Financial Mechanism, 1 million euros from the Norwegian Financial Mechanism and the remaining 4,6 million euros from the state budget of the Republic of Croatia.

Source of financing:

Local Development and Poverty Reduction
(Total: 30,6 mil euros)

National contribution **15%**

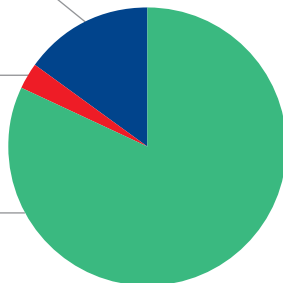
4,6 mil euros

NOR **3%**

1 mil euros

EEA **82%**

25 mil euros



Program Operator: Ministry of Regional Development and EU Funds, Sector for EU Programmes and International Financial Mechanisms

Donor Programme Partner: Norwegian Directorate for Higher Education and Skills
This programme aims to strengthen economic and social cohesion in the Republic of Croatia by establishing an effective education system which represents the basis of economic and social development of the state.

Financed projects within the programme will have focus on improving competencies of teachers and other educational workers in the primary education system, strengthening support for equal opportunities for primary school children and improvement of competencies for easier employment in the future, including measures in the following areas:

- science (chemistry, physics, nature and society, biology, geography, technical culture) and mathematics
- information and communication technology in education
- inclusive education
- entrepreneurship, skills development and better employment opportunities
- active citizenship

Within the programme **two public calls and two predefined projects will be financed.**

The first call in the amount of 1,3 million euros aims to strengthen skills and competences of teachers and professional staff in primary education. The **second call in the amount of 22,3 million euros** aims to strengthen STEM skills in primary



schools through procurement of STEM equipment for primary schools and development of regional science centres.

The first predefined project **“Enhanced tools for creating equal opportunities in education for pupils with disabilities”** is focused on equipping institutions for children with special needs and education related to the use of purchased equipment. The project promotor for this predefined project is CARNET and the total value of this project is **3,5 million euros**.

Another predefined project “Enhanced strategic planning at regional and local level in Croatia” aims to strengthen administrative, organizational and management capacities for the implementation of the National Development Strategy of the Republic of Croatia until 2030 on regional and local levels. The project promoter is MRDEUF, the Donor programme partner is the Organization for Economic Co-operation and Development – OECD. The total amount of the project is **1,1 million euros**.

The Fund for Bilateral Relations allocated an amount of 100,000 euros to the programme with the aim to support the programme goal of strengthening bilateral cooperation and partnership.

Additional information about the **LOCAL DEVELOPMENT AND POVERTY REDUCTION** programme can be found on the website <https://eeagrants.hr/en/programs/local-development-and-poverty-reduction/>





Energy and Climate Change

EEA Financial Mechanism/17 mil euros
National contribution/3 mil euros

3.2. ENERGY AND CLIMATE CHANGE

Programme area: Renewable energy, energy efficiency, energy safety, climate change mitigation and adaptation to climate change.

Programme goal: Increased use of energy technology with lower carbon emissions and increased security of supply.

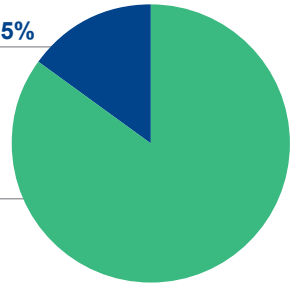
The total value of the programme is 20 million euros, 17 million euros is financed from the EEA Financial Mechanism and the remaining 3 million euros from the state budget of the Republic of Croatia.

Source of financing:

Energy and Climate
Change
(Total: 20 mil euros)

National contribution **15%**
3 mil euros

EEA **85%**
17 mil euros



Program Operator: Ministry of Regional Development and European Union Funds, Directorate for European Territorial Cooperation

Donor Programme Partner: Norwegian Water Resources and Energy Directorate

Areas of programme focus include:

- renewable energy sources
- energy efficiency
- energy security
- mitigating the effects of climate change
- adaptation to climate change

Special areas of interest within the programme are: the implementation of energy measures efficiency in near-zero energy buildings and encouraging the use of renewable sources of energy, including geothermal energy and solar energy.

The programme consists of **four open calls and two small grant schemes**.

Open calls for proposals: “Energy production from the sea” with an allocation of 1,5 million euros, “Increased solar energy production capacity” with an allocation of 7,4 million euros, “Increased geothermal energy production capacity” with an allocation of 4,95 million euros and “Preparation of technical documentation for geothermal energy” with an allocation of 3 million euros.

Two Small Grant Schemes: “Shallow geothermal energy database” with an allocation of 200,000 euros and “Deep geothermal energy database” also with allocation of 200,000 euros.



In addition to the open calls, the programme is also implemented through predefined project “**Establishment of the national training centre for nearly Zero Energy Buildings (nZEB)**” amounting up to a total of 1,6 million euros. The aim of this project is to improve and raise awareness among stakeholders involved in building energy performance, implementation of innovative technical solutions to adapt to almost zero energy standard buildings. This will be achieved by establishing a national training centre for professionals in the area of nZEB.

From the **Fund for Bilateral Relations**, the amount 100,000 euros has been allocated to the Programme with the aim to support achieving of the programme goal.

Additional information about the **ENERGY AND CLIMATE CHANGE** programme can be found at <https://eeagrants.hr/en/programs/energy-and-climate-change/>



Justice and Home Affairs

Norwegian Financial Mechanism/13 mil euros
National contribution/2,3 mil euros



3.3. JUSTICE AND HOME AFFAIRS

Programme area: Efficiency and effectiveness of the judicial system, strengthening the rule of law, execution of criminal sanctions and detention

Program goal: Strengthened rule of law

The total value of the programme is 15.3 million euros, 13 million euros is financed by the Norwegian Financial Mechanism, the remaining 2,3 million euros are from the state budget of the Republic of Croatia.

Source of financing:

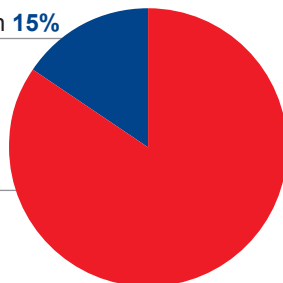
Justice and Home Affairs
(Total 15,3 mil euros)

National contribution **15%**

2,3 mil euros

NOR **85%**

13 mil euros



Programme Operator: Ministry of Justice and Public Administration

Donor Programme Partner: Norwegian Court Administration

International Programme Partner: Council of Europe

The Justice and Home Affairs program consists of four predefined projects:

- Renovation of the building of the Municipal Court in Split and the promotion of e-services
- Strengthening the protection of human rights and public safety through the improvement of the capacity of the Probation Service
- Revision of the methodology for evaluating the work of judges
- Improvement of the court conciliation system

Special area of interests within the programme are measures aimed to strengthen the probation system, improving the system of evaluation of the work of judges and judicial conciliation.

From **the Fund for bilateral relations** an amount of EUR 125 thousand was allocated to the Programme with the aim to support the achievement of the programme goal.

Additional information about the **JUSTICE AND HOME AFFAIRS** programme can be found at Program Manager website:
<https://pravosudje.gov.hr/>.



Innovation, Research, Education and Competitiveness

Norwegian Financial Mechanism/22 mil euros

3.4. INNOVATION, RESEARCH, EDUCATION AND COMPETITIVENESS

Programme area: Business development, innovation, small and medium entrepreneurship

Programme goal: creating added value, strengthening competitiveness and increasing sustainable development in the business sector, with an emphasis on SMEs and large enterprises in the field of innovation focused on green industry innovation and blue growth development in the Republic of Croatia.

Total value of the programme is 22 million euros. The programme is entirely financed by the Norwegian Financial Mechanism. No national co-financing is foreseen.



Programme Operator: Financial Mechanism Office

Fund operator: Innovation Norway

Programme Partner: Croatian Chamber of Commerce

The Programme consists of the following focus areas:

- Development of innovative technology, processes and services
- Sustainable economic development of business
- Development of green industry and energy efficiency in production processes
- Development of innovative products and services

Special areas of interests are innovation and “greening” of existing industries in all business sectors as well as innovation of the development of the blue growth sector (sea, rivers and lakes).

The program is implemented through two Calls:

- Increasing the competitiveness of Croatian entrepreneurs and
- Business skills development initiatives

Within the Programme, a **predefined project “Strengthening capacity and cooperation in the implementation of the programme between Innovation Norway and Croatia Chambers of Commerce”** valued at 368,000 euros is being implemented.

An amount of EUR 150,000 has been allocated to the Programme from the Fund for Bilateral Relations Fund to support the achievements of the programme goal.

Additional information about the programme **INNOVATION, RESEARCH, EDUCATION AND COMPETITIVENESS** can be found at Fund operator’s website www.innovasjon Norge.no/Croatiainnovation



Civil society

EEA Financial Mechanism/8,5 mil euros



3.5. CIVIL SOCIETY

Programme area: Civil Society

Programme goal: Strengthened civil society and active citizenship and empowered vulnerable groups

The total value of the programme is 8,5 mil euros. The program is fully funded by the EEA financial mechanism. No national co-financing is foreseen.

Program Operator: Financial Mechanism Office

Fund Operator: A consortium consisting of the Community Foundation "Slagalica" from Osijek, SOLIDARNA – the Foundation for Human Rights and Solidarity from Zagreb, SMART – the Association for Civil Society Development from Rijeka and CNVOS – Center for Information, Cooperation and Development of the NGO umbrella network from Ljubljana.

Within the Civil Society Programme, five thematic areas are defined as eligible for financing:

- Democracy, active citizenship, good governance and transparency
- Human rights and equality through the fight against discrimination based on race or ethnicity affiliation, religion or belief, gender and age
- Social justice and inclusion of vulnerable groups
- Gender equality
- Environment and climate change

Special area of interest for Croatia are building capacity and sustainability of the civil society, empowering and inclusion of vulnerable groups and promoting initiatives to strengthen intercultural dialogue with an emphasis on national minorities and promoting initiatives aimed at intergenerational cooperation.

Additional information about the programme **CIVIL SOCIETY AND THE ACTIVE CITIZENSHIP FUND IN CROATIA** can be found at the website <https://www.acfcroatia.hr>.





3.6. SOCIAL DIALOGUE

Programme area: Social Dialogue - Decent Work

The goal of the programme is to strengthen tripartite cooperation between employers, association, trade unions and public bodies and the promotion of decent work. The programme will provide support to social dialogue and contribute to a better adjustment of the Beneficiary country to overcome challenges related to unemployment and for the establishment of decent work practices.

The total value of the programme is 466,000 euros. The programme is fully funded through the Norwegian Financial Mechanism. No national co-financing is foreseen.

Program Operator: Office of Financial Mechanisms

Fund Operator: Innovation Norway

Within the programme five thematic areas are defined, eligible for financing:

- Social dialogue and tripartite cooperation
- Promotion of decent work policies
- Balance of private and business life
- Gender equality and combating discrimination in the workplace
- Undeclared work and lower labour costs

The programme is implemented through Open calls.

Beneficiaries: legal entities, social partners (employers organizations and trade unions), public authorities and institutions responsible for areas of decent work or tripartite cooperation, public administration bodies appointed to promote decent work and tripartite dialogue.

Additional information about the **SOCIAL DIALOGUE** programme can be found online at Innovation Norway Fund Manager website: <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/Programmes/social-dialogue---decent-work/>





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