

# GOVERNMENT OF THE REPUBLIC OF CROATIA

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Pursuant to Articles 4 and 5 of the Act on the Structure of Implementation of EU Programmes and the Structure of Implementation of Projects Financed from the Funds of Loans and Grants from other Foreign Sources (Official Gazette 58/2006), the Government of the Republic of Croatia, at its session on 19 March 2008, adopted the following

## REGULATION

### ON THE SCOPE AND CONTENTS OF RESPONSIBILITIES AND THE AUTHORITY OF BODIES COMPETENT FOR MANAGING THE INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)

#### Article 1

This Regulation establishes and regulates the contents and scope of authorities and responsibilities of the bodies responsible for the coordination and financial managing of the Instrument for Pre-accession Assistance (hereinafter: the IPA programme), of the bodies competent for managing and implementing individual IPA components and of the bodies competent for managing and implementing individual priorities and/or measures within the framework of individual IPA programme components.

The IPA programme represents an integrated instrument of assistance in the pre-accession period, which consists of five components: Transition Assistance and Institution Building, Cross-border Co-operation, Regional Development (transport, environment, regional competitiveness), Human Resources Development and Rural Development.

#### Article 2

The National IPA Coordinator shall be in charge of the overall coordination of the IPA programme and in particular for the following tasks:

- a) the harmonisation of use of funds from the IPA programme with the needs from the pre-accession process;
- b) the harmonisation of individual IPA programme components to achieve their optimal effect;

- c) the coordination of project proposals preparation within the component Transition Assistance and Institution Building;
- d) the coordination of the participation of the Republic of Croatia in the programmes of cross-border, trans-national and interregional cooperation;
- e) monitoring the implementation of the IPA programme and submission of reports to the European Commission.

Expert tasks for the National IPA Coordinator shall be performed by the Central State Office for Development Strategy and Coordination of EU Funds.

The Government of the Republic of Croatia shall appoint the National IPA Coordinator by a special Decision.

### Article 3

The Strategic Coordinator is in charge of the coordination of sectoral programmes financed from the components Regional Development and Human Resources Development.

The Government of the Republic of Croatia shall appoint the Strategic Coordinator referred to in paragraph 1 of this Article by a special Decision.

### Article 4

The body competent for the financial management of the IPA programme shall be in charge of the following tasks:

- a) submission of requests to the European Commission and reception of funds from the IPA programme;
- b) issuing authorisations for the transfer of funds to the bodies competent for managing and implementing individual IPA programme components, or to the final beneficiary;
- c) financial reporting on the use of the IPA programme to the European Commission;
- d) opening and managing bank accounts.

The Ministry of Finance, the National Fund, shall be the body competent for the financial management of the IPA programme.

The body responsible for the overall financial management of the IPA programme shall act under the responsibility of the IPA programme National Authorising Officer.

The IPA programme National Authorising Officer shall be responsible for the overall financial management of European Union programmes, and in particular for the following tasks within the IPA programmes:

- a) the efficient functioning of the systems of management and control;
- b) the legality and regularity of financial transactions;

- c) the drawing up and submission of certified applications for payment to the European Commission;
- d) the regularity of applications for payment submitted to the European Commission;
- e) the transfer of funds to the bodies competent for managing and implementing individual IPA programme components or to final beneficiaries;
- f) the verification of availability and validity of funds for the co-financing of programmes and projects;
- g) the protection of the financial interests of the European Union, detecting and notifying the European Commission of any irregularities;
- h) financial corrections resulting from any possible irregularities detected;
- i) issuing accreditations to bodies competent for managing and implementing individual IPA programme components, monitoring the meeting of conditions for accreditation and withdrawing accreditation in the event of failure to meet the conditions
- j) efficient functioning of the system of internal financial control;
- k) submission of reports on the functioning of the systems of management and control to the European Commission;
- l) efficient functioning of the system of reporting and information;
- m) monitoring the implementation of recommendations from audit reports;
- n) notifying the European Commission on any changes in the system of management and control.

The Government of the Republic of Croatia shall appoint the IPA programme National Authorising Officer by a special Decision.

#### Article 5

The Competent Accrediting Officer shall be responsible for issuing, monitoring, suspending or withdrawing the accreditation of the National Authorising Officer and the National Fund.

The Government of the Republic of Croatia shall appoint the Competent Accrediting Officer referred to in paragraph 1 of this Article by a special Decision.

#### Article 6

The Audit Authority shall be in charge of the following tasks:

- a) the preparation and implementation of the annual audit plan for the purpose of verification of the management and control systems within the IPA programme, and the accuracy of the accounting information related to the programme use;
- b) reporting to the Competent Accrediting Officer, the National Authorising Officer and the European Commission on the audit carried out within the framework of the IPA programme.

The Ministry of Finance, the Independent Service for IPA Programme Audit and Verification of SAPARD Implementation shall be the Audit Authority for the IPA programme.

#### Article 7

The tasks of the protection of financial interests of the European Union, the detection of irregularities and notifying the National Authorising Officer on the irregularities shall be performed by the Ministry of Finance, the Anti-Fraud Coordination Service.

The Anti-Fraud Coordination Service shall be in charge of:

- a) the coordination of legislative, administrative and operative activities, for the purpose of protection of financial interests of the European Union, and consequently for direct cooperation with the European Anti-Fraud Office (hereinafter: OLAF);
- b) exchange of information on irregularities with OLAF;
- c) participation in direct inspections and investigations performed by OLAF experts in the territory of the Republic of Croatia;
- d) creation of professional development programmes for employees of bodies involved in the protection of financial interests of the European Union in cooperation with OLAF and provision of organisational support in their implementation;
- e) referring budgetary control for the purpose of collecting evidence, determining the facts and instituting sanctioning proceedings in the bodies involved in managing the pre-accession funds of the European Community;
- f) reporting to the State Attorney's Office of the Republic of Croatia, the Public Officials Court and other competent institutions on initiated activities;
- g) instituting appropriate proceedings on the basis of well-founded denunciations gathered at the electronic address created specifically for this purpose;
- h) exchanging information with other public authority bodies in case of suspected irregularities in using pre-accession funds of the European Community and informing the competent bodies of the Republic of Croatia;
- i) monitoring the investigation proceedings concerning illegal use of pre-accession funds

of the European Community;

- j) reporting to the National Authorising Officer on measures taken and on the results of proceedings instigated for the purpose of sanctioning the determined irregularities;
- k) reception, control and consolidation of reports on irregularities in managing and using the pre-accession funds of the European Community and their delivery to the National Authorising Officer;
- l) keeping a central register on the determined irregularities.

All bodies involved in the managing and implementation of the IPA programme shall cooperate with the Anti-Fraud Coordination Service.

At the proposal of the National Authorising Officer, the Minister of Finance shall adopt the Instruction on irregularities in accordance with the assumed international obligations.

All bodies involved in the managing and implementation of the IPA programme shall act in accordance with the Instruction referred to in paragraph 4 of this Article.

#### Article 8

In every body involved in the managing and implementation of the IPA programme the Irregularity Officer shall be appointed.

The Irregularity Officer shall act in accordance with the Instruction referred to in Article 7, paragraph 4 of this Regulation.

#### Article 9

The bodies competent for managing and implementing individual IPA component, priority and/or measure shall be in charge of the following tasks:

- a) drafting the annual and multi-annual sectoral programmes;
- b) sectoral programme monitoring and managing sectoral monitoring committees;
- c) drawing up sectoral implementation reports, and submitting the reports to the National IPA Coordinator and to the National Authorising Officer;
- d) ensuring that the financed activities are selected and approved in accordance with the criteria and mechanisms applicable to the programme;
- e) the storage of documents for the purpose of performing the audit;
- f) organizing tendering procedures, contract award procedures and contract signing, payments and potential refunds from the final beneficiaries;
- g) ensuring that all participants involved in the management of the subject IPA programme component maintain a separate and appropriate accounting system;

- h) delivery of information on the approved costs and implemented proceedings to the National Fund and the National Authorising Officer for the IPA programme;
- i) establishment, maintenance and updating of the appropriate reporting and information system;
- j) preparation of the project implementation and technical implementation;
- k) verifications that the costs declared have actually been incurred in accordance with the relevant rules, the products or services have been delivered in accordance with the relevant decision, and the payment requests by the final beneficiary are correct;
- l) carrying out internal financial control;
- m) reporting on irregularities;
- n) ensuring compliance with the European Commission requirements regarding the information on the IPA programme.

The bodies competent for managing and implementing individual IPA programme components, priorities and/or measures shall act under the competence of the individuals competent for managing and implementing individual IPA programme components, to be appointed by the Croatian Government by a special decision.

The bodies competent for managing and implementing shall conclude the Operational Agreement for each component, priority or measure of the IPA programme, regulating in detail the mutual relations between the bodies involved in the specific component, priority and/or measure and their individual responsibilities.

#### Article 10

The Central Office for Development Strategy and Coordination of EU Funds, the Department for EU Programmes in the Field of Capacity Building for EU Accession, shall be the competent body for managing the IPA component I, Transition Assistance and Institution Building. The Central Finance and Contracting Agency shall be the competent body for its implementation.

#### Article 11

The Ministry of Regional Development, Forestry and Water Management, the Directorate for Integrated Regional Development, shall be the competent body for managing the IPA component II, Cross-Border Cooperation. The Central Finance and Contracting Agency shall be the competent body for its implementation.

## Article 12

The Ministry of the Sea, Transport and Infrastructure, the Directorate for Strategic Infrastructural Objects, shall be the competent body for managing and implementing the entire IPA component III, Regional Development – transport.

Within the component referred to in paragraph 1, and concerning priority 1 Upgrading Croatia's rail transport system, the body competent for the implementation is the company Croatian Railways Infrastructure.

Within the component referred to in paragraph 1, and concerning priority 2 Upgrading Croatia's inland waterway system, and priority 3 Technical Assistance, the body competent for the implementation is the Central Finance and Contracting Agency.

## Article 13

The Ministry of Environmental Protection, Physical Planning and Construction, the Directorate for Strategic and Integration Process in Environmental Protection, shall be the competent body for managing and implementing the IPA component III, Regional Development – environment.

The Ministry of Environmental Protection, Physical Planning and Construction, the Directorate for Strategic and Integration Process in Environmental Protection, shall be the competent body for managing priority 1 Development of Waste Management Infrastructure for Establishing an Integrated Waste Management System in Croatia. The body competent for its implementation shall be the Environmental Protection and Energy Efficiency Fund.

The Ministry of Regional Development, Forestry and Water Management, the Directorate for International Projects within the Directorate for Water Policy and International Projects, shall be the competent body for managing priority 2 Protection of Croatia's Water Resources through Improved Water Supply and Waste Water Integrated Management Systems. The body competent for its implementation shall be Hrvatske vode.

The Ministry of Environmental Protection, Physical Planning and Construction, the Directorate for Strategic and Integration Process in Environmental Protection, shall be the competent body for managing priority 3 Technical Assistance. The Central Finance and Contracting Agency shall be the competent body for its implementation.

## Article 14

The Ministry of Economy, Labour and Entrepreneurship, the Department for Preparation and Implementation of European Union Programmes and Projects, shall be the competent body for managing and implementing the entire IPA component III, Regional Development – regional competitiveness.

The Ministry of Regional Development, Forestry and Water Management, the Directorate for Integrated Regional Development, shall be the competent body for managing priority 1

Improvement development potential of lagging behind regions. The Central Finance and Contracting Agency shall be the competent body for its implementation.

Within the framework of priority 2 Enhancing the competitiveness of the Croatian economy, The Ministry of Economy, Labour and Entrepreneurship, the Directorate for Small and Medium Entrepreneurship and the Directorate for Investment Promotion, shall be the competent body for managing measure 2.1. Improvement of business climate. The Ministry of Science, Education and Sports, the Directorate for Science, shall be the competent body for managing measure 2.2 Technology transfer and support services for knowledge-based start-ups. The Central Finance and Contracting Agency shall be the competent body for its implementation.

The Ministry of Economy, Labour and Entrepreneurship, the Department for Preparation and Implementation of European Union Programmes and Projects, shall be the competent body for managing priority 3 Technical Assistance. The Central Finance and Contracting Agency shall be the competent body for its implementation.

#### Article 15

The Ministry of Economy, Labour and Entrepreneurship, the Department for Preparation and Implementation of European Union Programmes and Projects in the field of labour and labour market, shall be the competent body for managing and implementing the entire IPA component Department, Human Resources Development.

The Ministry of Economy, Labour and Entrepreneurship, the Department for Preparation and Implementation of European Union Programmes and Projects in the field of labour and labour market, shall be the competent body for managing priority 1 Enhancing access to employment and sustainable inclusion in the labour market. The Croatian Employment Service, the Directorate for Financing and Contracting of EU Projects, shall be the competent body for its implementation.

Within the framework of priority 2 Reinforcing social inclusion of people at a disadvantage, the Ministry of Health and Social Welfare, the Directorate for Social Welfare, shall be the competent body for managing measure 2.1 Supporting access to employment by disadvantaged groups. The Croatian Employment Service, the Directorate for Financing and Contracting of EU Projects, shall be the competent body for its implementation.

Within the framework of priority 2 Reinforcing social inclusion of people at a disadvantage, the Ministry of Science, Education and Sports, the Directorate for Secondary Education, shall be the competent body for managing measure 2.2 Supporting access to education by disadvantaged groups. The Agency for Vocational Education and Training, the Department for Financing and Contracting of IPA, shall be the competent body for its implementation.

The Ministry of Science, Education and Sports, the Directorate for Secondary Education, shall be the competent body for managing priority 3 Enhancing human capital and employability. The Agency for Vocational Education and Training, the Department for Financing and Contracting of IPA, shall be the competent body for its implementation.



The Ministry of Economy, Labour and Entrepreneurship, the Department for Preparation and Implementation of European Union Programmes and Projects in the field of labour and labour market, shall be the competent body for managing priority 4 Technical Assistance. The Croatian Employment Service, the Directorate for Financing and Contracting of EU Projects, shall be the competent body for its implementation.

#### Article 16

The Ministry of Agriculture, Fisheries and Rural Development, the Directorate of Rural Development, shall be the competent body for managing IPA component V, Rural Development. The Ministry of Agriculture, Fisheries and Rural Development, the Directorate of Market and Structural Support in Agriculture, shall be the competent body for its implementation.

#### Article 17

With the entry into force of this Regulation, the Regulation on the Scope and Contents of Responsibilities and the Authority of Bodies Competent for Managing the Instrument for Pre-Accession Assistance (Official Gazette Nos. 18/2007, 82/2007) shall cease to be valid.

#### Article 18

This Regulation shall enter into force on the day of its publication in the Official Gazette.

Class: 400-01/05-02/01

Reg. No.: 5030105-08-5

Zagreb, 19 March 2008

Prime Minister

Ivo Sanader, Ph.D., m.p.