

Annex 2: Rules and Procedures for the Swiss-Croatian Cooperation Programme

Annex 2 is an integral part of the Framework Agreement between the Swiss Federal Council and the Government of the Republic of Croatia concerning the implementation of the Swiss-Croatian Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of the main part of the Framework Agreement.

Annex 2 defines the controlling at the Swiss-Croatian Cooperation level, procedures at Project level, requirements for Project proposals, payment and reimbursement procedure, and responsibilities and tasks.

Annex 1 defines the conceptual framework of the Swiss-Croatian Cooperation Programme. Rules and procedures for Block Grants, the Project Preparation Facility, the Technical Assistance Fund and the Research Funds are defined in Annex 3.

1 Controlling at the Swiss-Croatian Cooperation Programme level

1.1 Supervision

The Croatian authorities have the final responsibility for the monitoring and supervision of the Swiss-Croatian Cooperation Programme. A monitoring system shall be developed jointly by the Parties at the beginning of the Swiss-Croatian Cooperation Programme and be enhanced during its implementation as necessary.

1.2 Annual meetings

In order to ensure an effective implementation of the Swiss-Croatian Cooperation Programme, the Parties shall hold annual meetings. At the annual meetings, the National Coordination Unit (NCU) shall present an annual report to be distributed one month before the meeting which shall amongst other things address:

- General experience and results achieved;
- Progress made in the implementation of the Swiss-Croatian Cooperation Programme against the Conceptual Framework;
- Reporting on the status of the Swiss-Croatian Cooperation Programme, including:
 - o Statements on approved Projects, progress of Project identification / preparation and foreseeable Commitments;
 - o Overall financial statement on past and tentative future disbursements and Commitments for the entire Swiss-Croatian Cooperation Programme;
 - o Summary and main conclusions of the financial audits of the Projects in accordance with Article 3.6;

- Statistics on tenders, contract awards and successful bidders;
- Information about important issues with regard to particular Projects.
- Reporting on Block Grants, the Project Preparation Facility and the Technical Assistance Fund, if applicable;
- Proposals for the allocation of non-committed funds;
- Reporting on administrative implementation issues;
- Strategy and activities to inform the general public about the Swiss-Croatian Cooperation Programme and the Projects implemented;
- Further issues to be discussed, recommendations, next steps;
- Risk analysis on programme and Project levels, including actions to mitigate such risks.

The NCU is responsible for the organisation of the annual meetings. It will consult the Swiss Embassy on the organisation, the contents, the agenda, the participants and other organisational and logistical matters.

The Intermediate Bodies, the Executing Agencies and other institutions and persons may be invited to the annual meetings whenever this is felt desirable by the NCU or by Switzerland.

The Parties may invite the European Commission to participate as an observer.

Minutes of the meetings shall be drafted by the NCU and be submitted to Switzerland for approval within 15 days after the meeting.

2 Procedures of Project Financing Requests

In principle, the financing request undergoes a two-loop approach that allows guidance early in the decision making process. In the first loop, a Project Outline is submitted and a decision in principle is made. In case of a successful first loop, the second loop is initiated. In the second loop, the Final Project Proposal is submitted and a final decision is taken by Switzerland.

If a specific Project is being described in Annex 1 of the present Agreement, this fact is considered as the approval in the first loop of the decision making process. In this case, the Articles 2.1 and 2.2 of the present Annex 2 to the Framework Agreement do not apply.

2.1 First loop: Application and approval procedure of the Project Outline

Art.	Steps	Activities and specific rules	Organisations
2.1.1.	Initiation of Project identification	<p>Initiation in accordance with the Conceptual Framework (Annex 1, section 5) on the basis of:</p> <ul style="list-style-type: none"> – Lists of priority Projects provided by the Croatian Government – A proposal by an Intermediate Body / Executing Agency – A proposal by Switzerland 	<p>Responsible: NCU</p> <p>Involved: Intermediate Body, Executing Agency, the Swiss Agency for Development and Cooperation (SDC) or State Secretariat of Economic Affairs (SECO)</p>
2.1.2.	Elaboration of the Project Outline	<p>Preparation of the Project Outline based on the requirements for Project Outlines (Article. 2.2).</p> <p>The Project Outline may include a request for financial support for the preparation of a Final Project Proposal (Article 2.4) through the Project Preparation Facility. Such cost can be retroactively financed through the Project Preparation Facility, also if the cost occurred before the entry into force of the Framework Agreement, and of the Project Preparation Facility Agreement.</p>	<p>Responsible: Intermediate Body, Executing Agency</p>
2.1.3.	Pre-screening of the Project Outline	<p>Possibility of informal consultations with the Swiss Embassy.</p>	<p>Responsible: NCU</p>
2.1.4.	Screening	<p>Screening based on a thorough assessment of the relevance of the Project Outline endorsed by the NCU, based on the Conceptual Framework and the requirements for Project Outlines (Article. 2.2).</p>	<p>Responsible: NCU</p> <p>Involved: Intermediate Body</p>

Art.	Steps	Activities and specific rules	Organisations
2.1.5.	Submission of the Project Outline	If accepted, submission of the Project Outline with a cover letter and a reasoned opinion to the Swiss Embassy.	Responsible: NCU Involved: Swiss Embassy
2.1.6.	Formal Check	Formal check by SDC or SECO.	Responsible: SDC or SECO
2.1.7.	Final decision on Project Outline	<p>Final decision on the Project Outline (including, if relevant, decision on the request for financing of Project preparation through the Project Preparation Facility). Switzerland reserves the right to carry out its own appraisal.</p> <p>In principle, three categories of decision are possible:</p> <ol style="list-style-type: none"> 1. approved without conditions 2. approved with conditions 3. not approved <p>The NCU shall ensure the fulfilment of the Swiss conditions, if any.</p> <p>If accepted by Switzerland, request for the preparation of the Final Project Proposal (requirements specified in Article 2.4).</p>	Responsible: SDC or SECO

2.2 Requirements for Project Outlines

The Project Outline (approximately 5 pages) shall include all necessary information to allow a general appraisal of the proposed Project.

Item	Content
General information	Project title, planned Project duration, priority sector, location/ region, nature of the Project (for instance pilot Project etc.)
Applicant	Name and contact details; previous, relevant experience, if any; Croatian and/or Swiss Project partners; Swiss link, if any (know-how, technology, partners or any other cooperation with Switzerland).
General context	Issue to be tackled, present situation, key socio-economic and environmental data related to the issue, attempts to solve the issue so far, other related initiatives, etc.
Project content	Description including objectives (outcome), expected results (outputs) and activities (components); beneficiaries, target group; risks and potentials; sustainability of the Project.
Relevance	Contribution to the reduction of economic and social disparities within the country and/or between the country and the more advanced member states of the EU (impact - see also the set of objectives of Annex 1, section 1), fit within the development strategies of the country/region and chosen sector; strategy of the intervention.
Prior investments	Prior investments in the same issue/sector over the past 5 years (project title, amount, source of funding).
Contribution to the enhancement of bilateral relations	Provision of opportunities to promote Swiss presence and visibility and to use Swiss experience (see also Annex 1, Article 3.2).
Project organisation	Organisational chart, responsibilities, capacity of the Executing Agency etc.
Budget	Eligible costs / non-eligible costs; own contribution, amount of grant, co-financing, EU-funding and any other financial source, etc.; cost efficiency aspects versus alternatives.
Horizontal issues	Environmental, social and economic aspects of the Project, gender equality.
Maturity of Project	Status of Project (in elaboration or fully prepared; possible request for financial support for preparation of the Final Project Proposal through the Project Preparation Facility).
Annexes	Additional documentation as deemed appropriate.

2.3 Second loop: Application and approval procedure of the Final Project Proposal

Art.	Steps	Activities and specific rules	Organisations
2.3.1.	Elaboration of the Final Project Proposal	Preparation of the Final Project Proposal based on the requirements for Final Project Proposals (Article 2.4) and the comments of Switzerland.	Responsible: Intermediate Body, Executing Agency
2.3.2.	Screening	Screening based on a thorough assessment of the feasibility of the Final Project Proposal, endorsed by the NCU.	Responsible: NCU Involved: Intermediate Body
2.3.3.	Decision to submit the Final Project Proposal	If accepted, submission of the Final Project Proposal with a cover letter taking into account the requirements for Final Project Proposals and the conditions of Switzerland, as well as a reasoned opinion to the Swiss Embassy. It will also confirm the compliance of the Executing Agency with legal and financial obligations.	Responsible: NCU Involved: Swiss Embassy
2.3.4.	Formal Check	Formal check by SDC or SECO.	Responsible: SDC or SECO
2.3.5.	Final decision	Final decision on the financing request by taking into account the Final Project Proposal, the cover letter of the NCU, and the Project document. Switzerland reserves the right to carry out its own appraisal.	Responsible: SDC or SECO

2.4 Requirements for Final Project Proposals

The Final Project Proposal shall provide all key information related to the implementation of the Project. It shall be accompanied by all necessary documents (Project document, Logical Framework and e.g. feasibility study, environmental impact study) to allow a thorough appraisal. The Final Project Proposal (5 – 10 pages; for large infrastructure Projects 10 - 20 pages, plus annexes) shall provide adequately detailed information on inter alia:

Item	Content
Project summary (1 page)	Fact sheet: Project title, short description including objectives, budget, partners, duration.
Applicant	Name and contact details; previous, relevant experience, if any; Project partners; Swiss link, if any (know-how, technology, partners or any other cooperation with Switzerland).
General context	Issue to be tackled, present situation, key socio-economic and environmental data related to the issue, attempts to solve the issue so far, other related initiatives, etc.
Project content	Description including objectives, expected outcomes / outputs (Logical Framework), activities and the respective indicators; beneficiaries, target group; risks and potentials; sustainability of the Project. Main conclusions of the feasibility study (if requested). Statement on the fulfilment of the conditions from the decision in the first loop.
Relevance	Contribution to the reduction of economic and social disparities within the country and/or between the country and the more advanced member states of the EU (impact - see also the set of objectives of Annex 1, section 1), fit within the development strategies of the country/region and chosen sector; strategy of the intervention.
Contribution to the enhancement of bilateral relations	Provision of opportunities to assert Swiss solidarity and promote Swiss presence and image, to valorise Swiss knowledge and reputation, as well as to create new prospect for Swiss products and services (see also Annex 1, Article 3.2).
Project organisation	Organisational chart, responsibilities, etc.
Detailed implementation schedule	Including milestones and indicators based on which monitoring of progress will be done.
Budget	Eligible costs / non-eligible costs; own contribution, amount of grant, co-financing, EU-funding and any other financial sources etc.; cost efficiency aspects.
Procurement	Procurement procedures for goods and services.
Development impact	Monitoring and evaluation of output/outcome/impact indicators.
Horizontal issues	Environmental, social and economic aspects of the Project, gender equality.
Annexes	Project document, Logical Framework and e.g. feasibility

	study, environmental impact study, permissions (if available).
--	--

3 Project Implementation Procedures

The Project implementation procedures are as follows:

Art.	Steps	Activities and specific rules	Organisations
3.1.	Project Agreement	Preparation of the Project Agreement between Croatia and Switzerland.	Responsible: NCU on the Croatian side; SDC or SECO on the Swiss side
3.2.	Signing	Signing of the Project Agreement. The Project Agreement can be signed by more than two contracting parties (e.g. tripartite or multipartite agreement: SDC or SECO, NCU and Intermediate Body, Executing Agency). Signing of the Implementation Agreement	Responsible: Normally the Swiss Embassy on behalf of SDC or SECO. The Croatian signatory or signatories shall be appointed by Croatia. Responsible: NCU
3.3.	Procurement and award of contracts	Procurement of goods and services is to be made in accordance with Croatian law and in compliance with the respective EU directives. Confirmation of compliance with the relevant procurement rules shall be provided to Switzerland. To increase transparency and to prevent corruption, tender documents shall contain an integrity clause. All persons performing actions in connection with a tender procedure shall provide a written statement called "Impartiality clause" under the pain of penal liability for making false statements. According to the clause, persons shall be excluded from performing actions in a tender procedure if, for example, they remain in such legal or material relationship with the contractor that may raise justified doubts as to their impartiality. In general, for public tenders within the scope of the EU directives on public	Responsible: NCU, Intermediate Body, Executing Agency

		<p>procurement [(EU) No 1336/2013], an English translation of the official tender evaluation report shall be provided to Switzerland for information at the latest 30 calendar days after the award of contract.</p> <p>In addition to the above, for tenders above the threshold of CHF 500'000, Switzerland may also request a copy of the tender documents (incl. the technical specifications) for non-objection and of the contracts for information. These documents shall be submitted at the latest 30 days before the planned commencement of tendering and 20 calendar days after the signing of the contract, respectively.</p> <p>Furthermore, for tenders above the threshold of CHF 500'000, Switzerland may also request that an English translation of the tender documents and the draft contracts be made available to tenderers and contractors, respectively. Possible translation costs shall be borne by the Project and financed under the Contribution.</p> <p>In line with Art. 6.5 of the Framework Agreement, both Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request. Switzerland shall have the right to conduct an audit of the procurement practices and procedures in general.</p> <p>In case of irregularities, wilfully or negligently caused in the framework of the tender process and/or the execution of the contract, Switzerland - after consultation with the NCU - is entitled to stop reimbursements immediately, to instruct the NCU to stop payments from the Swiss Contribution and to ask repayment of illegitimately paid reimbursements at any stage of the Project.</p>	
3.4.	Controlling (Monitoring)	Controlling procedures are defined in the Project Agreement. Procedure description includes: periodicity of reporting, monitoring system and consultant, steering committees, time-table for	Responsible: Executing Agency Involved:

		<p>operations and results, auditing, etc.</p> <p>Switzerland reserves the right to ask for or to carry out technical audits for Projects.</p>	<p>NCU, Intermediate Body Executing Agency, SDC or SECO</p>
3.5.	Reporting	<p><u>Interim Reports</u> support Payment Claims and are therefore to be presented to Switzerland with the corresponding Reimbursement Request.</p> <p>Payment Claims comprise eligible costs incurred during a given period with copy of the invoices.</p> <p>Interim Reports cover a given period and include information on financial and physical progress, a comparison of actual with planned expenses, an update on progress status, while confirming the co-financing. Any deviation has to be justified and corrective measures suggested.</p> <p>Interim Reports are due to Switzerland at least every six months. An Interim Report shall also be presented in case no Payment Claim has been made for a period exceeding 6 months.</p> <p><u>Annual Project Reports</u> have an operational part that describes the progress of the Project and includes a financial part (Financial Report) having a summary of data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators. Any deviation has to be justified and corrective measures suggested. The report structure shall follow the Logical Framework. It shall also contain an updated project execution schedule as well as an updated budget for the year ahead. Annual Project Reports are not linked to Reimbursement Requests.</p> <p>The <u>Project Completion Report</u> - together with the last Interim Report and the conclusions of the Final Financial Audit Report (Article 3.6 Audit) - is the base for the payment of the final reimbursement. The Project Completion Report has an</p>	<p>Responsible: Executing Agency</p> <p>Involved: NCU, Intermediate Body</p>

		operational part that documents and comments the overall achievement of outputs and outcomes against the Logical Framework, the compliance with principles such as cross cutting themes and sustainability, and suggests lessons learned and conclusions. It contains a financial part (Final Financial Report) having a summary of financial data for the whole project and comparing effective with planned expenses.	
--	--	---	--

<p>3.6.</p> <p>3.6.1</p>	<p>Audit</p> <p>Financial Audit at Project level</p>	<p>During implementation, financial audit(s) shall be carried out by an internal (internal audit units and controlling units of public administration institutions) or an external certified audit organisation for the Projects, as specified in the respective Project Agreement.</p> <p>The audit organisation shall carry out audits of the Projects according to the terms of reference and International Standards on Auditing (ISA). In doing so, it shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.</p> <p>The audit reports are transmitted to the NCU. The competent authorities with the full support of the Government of Croatia shall investigate alleged cases of fraud or irregularity. Proven cases of fraud shall be prosecuted according to existing regulations.</p> <p>For each Project lasting longer than two years and exceeding the amount of CHF 500,000, Intermediary Financial Audit(s) have to be additionally carried out, unless otherwise specified in the Project Agreement. The conclusions and recommendations shall be transmitted to Switzerland.</p> <p>In principle, a Final Financial Audit, certified by an internal or external audit organisation, has to be carried out for each Project at its completion.</p> <p>A Final Financial Report and the conclusions and recommendations of the Final Financial Audit Report shall be presented to Switzerland by the NCU together with the Project Completion Report (Article 5 Reporting).</p>	<p>Responsible: NCU</p> <p>Involved: Internal Audit Units of the Intermediate Body or External Audit Organisation, Executing Agency</p>
--	--	--	---

3.6.2	Compliance / System Audit	<p>According to the rules and procedures set up in the pre-accession period, as well as for the purpose of the EU and EEA & Norway assistance programmes in Croatia, Compliance Assessment / System Audit is seen as a prerequisite for the use of funds. This obligation shall also be applied for the Contribution.</p> <p>Once performed, Switzerland will reimburse the costs of the Compliance/ System Audit carried out by the External Certified Audit Organisation from the Technical Assistance Fund. The competent authorities mentioned in Article 9 of the Framework Agreement shall agree on the eligibility of such costs by correspondence before the Compliance/ System Audit is performed and such costs occur.</p>	
3.7.	Evaluation	<p>The respective Project Agreement can foresee an evaluation at Project completion. In this case, the evaluation is financed through the Technical Assistance Fund.</p> <p>After Project completion, the Parties may request an evaluation. The corresponding cost shall be borne by the requesting Party.</p>	Responsible: NCU SDC or SECO

4 Payment and Reimbursement Procedure

The Ministry of Finance is the Paying Authority for the Contribution. In principle, all disbursements under the Contribution shall be pre-financed out of the national budget of Croatia according to the national budget procedure. The Executing Agency shall submit Payment Claims covering all eligible expenses over the current period to the NCU, together with certified copies of all supporting documentation and the Interim Report. The NCU and/or the Intermediate Body shall verify the completeness and certify the correctness of the submitted documents. The Paying Authority shall make payments to the Executing Agency (and/or Intermediate Body) in accordance with the Implementation Agreement. The Paying Authority shall submit the Reimbursement Requests to Switzerland for approval and payment.

The detailed reimbursement procedures are laid down in the Project Agreements and must, if not otherwise specified, comply with the following procedures:

Art.	Steps	Activities	Organisations
------	-------	------------	---------------

4.1.	Issue of the original invoice	Issue the original invoice.	Responsible: Supplier of a product or service; contractor, consultant, organisation (claimant)
4.2.	Examination of the original invoice or a document of equivalent value and the preparation of the Payment Claim	<ul style="list-style-type: none"> ▪ Control the original invoice or a document of equivalent value with regard to the specifications of the Project Agreement, the Implementation Agreement, the supply / services contract and the agreed tariffs. ▪ Verify the conformity of the execution (quantity and quality) of the work, the supply of goods / services, and the special conditions, etc. ▪ Payment to the supplier(s) of the original invoice. ▪ Submit the Payment Claim and copy of the invoices, including an Interim Report, to the Intermediate Body/NCU. 	Responsible: Executing Agency

4.3.	Certification of the Payment Claims to the Paying Authority and pre-financing payments and payment to the Executing Agency	<ul style="list-style-type: none"> ▪ Check the conformity of the Payment Claim with the Framework Agreement, the Project Agreement and the Implementation Agreement. ▪ Ensure that no double-financing occurs. ▪ Verify the completeness of the documentation, i.e. copy of invoices and other accounting documents, and the relevance of the Interim Report. If necessary, verify the correctness of the use of funds by means of fact-finding missions. ▪ Certify the conformity and legality of the Payment Claims to the Paying Authority. ▪ Ensure the payment to the Executing Agency. ▪ Transmit to Switzerland a copy of the related documentation, such as Interim, Annual Project and Project Completion Reports (Articles 3.5 and 3.6), audit reports, or their consolidated summary as requested in the Project Agreement. 	Responsible: NCU and/or Intermediate Body
4.4.	Submission of the Reimbursement Request to Switzerland	<ul style="list-style-type: none"> ▪ Check the formal conformity of the Payment Claims, including co-financing. ▪ Ensure that no double-financing occurs. ▪ Submit the Reimbursement Requests to Switzerland and confirm compliance with the financial stipulations of contractual agreements. 	Responsible: Paying Authority
4.5.	Payment by Switzerland to Croatia	<ul style="list-style-type: none"> ▪ Check conformity of Reimbursement Requests and supporting documentation. ▪ Transfer the requested amount in Swiss francs to the separate bank account. 	Responsible: SDC or SECO Involved: Paying Authority

In particular cases, other payment procedures may be defined by the Parties in the respective Project Agreements.

The final date for eligibility of costs shall be specified in the Project Agreement. It shall be maximum 12 months after the scheduled date for Project completion, but

not later than ten years after the approval of the extension of the Contribution to Croatia by the Swiss Parliament according to Article 3 of the Framework Agreement.

In case of irregularities, wilfully or negligently, Switzerland is entitled to stop reimbursements immediately, to instruct the NCU to stop payments from the Swiss Contribution and to ask repayment of illegitimately paid reimbursements at any stage of the Project. The reasons for the respective instructions shall be communicated in writing to the NCU and other entities involved.

5 Responsibilities and Tasks

The responsibilities and tasks of the main actors are outlined below. Project Agreements will contain more detailed responsibilities and activities tailored to the individual case.

5.1 The National Coordination Unit

The NCU is responsible for the identification, planning, implementation, financial management, controlling and evaluation of Projects, as well as for the use of funds under the Contribution in accordance with the Framework Agreement. This includes responsibility to:

- Ensure the building-up of the Project portfolio according to the Annex 1, through consultation of line ministries (Article 2.1.1.), as well as the appraisal of Project applications;
- Transmit to Switzerland the Project proposals selected by the NCU in form of Project Outlines (Article 2.1), including a reasoned opinion as a result of the screening based on a thorough assessment of the relevance of the Project Outline;
- Supervise the timely preparation of the Final Project Proposal resulting from approved Project Outlines and assess their quality and their compliance with the conditions expressed by Switzerland after loop 1 (Article 2.3);
- Submit to Switzerland well documented Project Financing Requests in the form of Final Project Proposals (Article 2.4) resulting from approved Project Outlines (Article 2.1);
- Ensure that the appropriate provisions are included in the national budget in order to safeguard that Executing Agencies have the necessary funds;
- Supervise and steer the implementation of Projects in accordance with the Project Agreements and the Implementation Agreements by establishing adequate monitoring and auditing systems;
- Monitor the achievement of objectives and results;
- Establish a Monitoring Committee, chaired by the NCU in which selected line ministries and the relevant regions and NGOs with voting power are represented, and where Switzerland can participate as an observer.

- Ensure the correct verification of the invoices or of the documents of equivalent value received from the Executing Agencies and verify the sufficiency of documentation, including through delegation of these tasks to the respective Intermediate Bodies;
- Ensure that there is no double-financing of any part of the Project by any other source of funds;
- Confirm that the co-financing part has been provided according to the Project Agreement;
- Ensure the efficient and correct use of available funds for the overall Swiss-Croatian Cooperation Programme;
- Verify in each Project if the value added tax (VAT) can be recovered by the Executing Agency and inform the Swiss authorities accordingly in the form of a declaration by the applicant as part of the Project documentation;
- Coordinate the Swiss Contribution with other contributions, with the Partnership Agreement and with the Operational programmes;
- Ensure the adoption of the necessary national legal documents on the implementation and monitoring of Projects;
- Confirm compliance with state aid rules;
- Ensure financial control, including complete and sufficient audit trails in all involved institutions;
- Provide a yearly overall financial statement on all payments between Switzerland and the Paying Authority on one side and between the Paying Authority and all national bodies involved (e.g. NCU, Intermediate Body, Executing Agency) on the other side;
- Submit yearly a summary with conclusions and recommendations of all audit reports of the financed Projects. The NCU presents in a separate appendix all original conclusions and recommendations of the audit reports;
- Ensure the discussion of audit results with the partners involved, including Switzerland, and the implementation of the decisions made based on the audit report;
- Ensure regular reporting to Switzerland on the implementation of Projects financed by the Contribution. Any irregularities shall be reported immediately to Switzerland;
- Organise annual meetings at overall Swiss-Croatian Cooperation Programme level in consultation with the Swiss Embassy and present an Annual Report;
- Ensure reimbursement to Switzerland of unduly paid sums financed by the Contribution;
- Ensure information and publicity about the Swiss-Croatian Cooperation Programme and the Projects;

- Ensure storing of all relevant documents relating to Projects implemented within the Swiss-Croatian Cooperation Programme for 10 years after the completion of Projects.

The NCU can delegate part of the tasks and responsibilities mentioned above to one or more Intermediate Bodies and Executing Agencies.

5.2 Intermediate Body

Intermediate Body means any legal public or private entity appointed by the NCU which acts under the responsibility of the NCU or which carries out duties on behalf of the NCU with regard to Executing Agencies implementing Projects.

The main tasks of the Intermediate Bodies are to:

- Collect Project proposals, review compliance with the requirements for Project proposals (Article 2) and assess the quality of applications submitted in consultations with line ministries;
- Submit Project proposals with appraisal reports to the NCU;
- Supervise and steer the implementation of Projects in accordance with the Project Agreements and the Implementation Agreements, and carry out the necessary controls;
- Check the invoices or the documents of equivalent value received from the Executing Agencies, verify the authenticity and correctness of submitted documents as well as the eligibility of costs on Payment Claims and report to the NCU;
- Certify invoices or the documents of equivalent value and submit certified invoices or documents of equivalent value to the NCU or to the Paying Authority;
- Submit Payment claims to the Paying Authority and certify their conformity and legality;
- Report to the NCU on the progress of Project implementation;
- Submit all audit reports of the financed Projects to the NCU;
- Check for irregularities and report them to the NCU;
- Ensure storage of all relevant documents related to Projects implemented within the Swiss-Croatian Cooperation Programme for 10 years after the completion of Projects;
- Agree with the Executing Agencies on justified amendments to the implementation of agreed Projects within the limits defined in the respective Project Agreements.

5.3 Executing Agency

An Executing Agency is any legal public or private entity as well as any organisation, recognised by the Parties and mandated to implement a specific Project.

The main tasks of the Executing Agency are i.a.:

- Implementation of Projects;
- Execution of public procurement;
- Reporting to the Intermediate Body or the NCU, based on the requirements;
- Achievements of objectives and results;
- Submit all audit reports of the financed Projects to the respective Intermediate Body or directly to the NCU.

The Project Agreement shall contain the name of the Executing Agency. Its tasks and responsibilities shall be defined in the Implementation Agreement.

5.4 Paying Authority

The Paying Authority is responsible for ensuring appropriate financial control over the use of the Swiss Contribution. It shall in particular:

- Check the conformity of Payment Claims with financial stipulations of contractual agreements;
- Confirm to the NCU that the co-financing part has been provided according to the Project Agreement;
- Submit the respective Reimbursement Requests to Switzerland;
- Keep accounts of all Reimbursement Requests made to Switzerland;
- Report periodically to the NCU on financial flows;
- Reimburse to Switzerland unduly paid sums financed by the Contribution as agreed between Switzerland and the NCU.

Furthermore, the Paying Authority ensures that the usual standards and procedures valid for public funds are applied in the management of the Swiss Contribution. It verifies their application by the NCU, the Intermediate Bodies and the Executing Agencies. The Paying Authority ensures that payments are made to the claimants within the specified deadlines.

5.5 Audit

During Project implementation, financial audits at Project level (Article 3.6) shall be carried out by an internal (internal audit units and controlling units of public administration institutions) or external certified (bodies from outside the public finance sector dealing with audits) audit organisation for the Projects, as specified in the respective Project Agreement.

System/ Compliance Audit (compliance assessment on the level of the Programme) should be carried out by an external certified (bodies from outside the public finance sector dealing with audits) audit organisation, and costs will be reimbursed from the Technical Assistance Fund (Article. 3.6.2.).

Additionally, the Intermediate Body or the Executing Agency shall ensure a final financial audit of the Project after its completion on the basis which shall be stipulated in detail in the Project Agreement. The audit organisation shall carry out financial audits of the Projects according to the terms of references and International Standards on Auditing (ISA). In doing so, it shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.

The audit reports shall be transmitted to the NCU. The competent authorities with the full support of the Government of Croatia shall investigate alleged cases of fraud or irregularity. Proven cases of fraud shall be prosecuted according to existing regulations.

Costs of external financial audits are eligible for reimbursement and must be included in the Project budget.

5.6 Monitoring Committee

The Monitoring Committee is an advisory body to the NCU regarding the identification, development, and management of proposals.

The NCU will appoint the members of the Monitoring Committee. The appointment of the representatives of the Monitoring Committee will be made on the basis of proposals from the relevant bodies.

The Monitoring Committee shall include representatives of:

- the National Coordination Unit;
- relevant line ministries or governmental bodies;
- relevant social and economic partners (including NGOs);
- relevant regional and local level government;
- Switzerland as an observer.

The Monitoring Committee shall, among other tasks:

- Monitor the status of the implementation of the overall Swiss-Croatian Cooperation Programme regarding the achievements of the objectives;
- Monitor compliance with the Rules and Procedures;
- Review overall progress and financial reports;
- Approve the Annual Report prepared by the National Coordination Unit.

Where appropriate, representatives of other institutions and organizations can participate to observe the meetings of the Monitoring Committee.

5.7 Swiss Embassy

The Swiss Embassy is the official representation of Switzerland. Referring to the implementation of the Swiss-Croatian Cooperation Programme, its function is to:

- Facilitate contacts; assure the liaison and the networking between partners;
- Inform and give advice to partners on procedures and conditions of the Contribution;
- Transmit official information and proposals to and from the Swiss authorities;
- Organise, together with the NCU, missions of Swiss delegations;
- Participate in meetings on the overall Swiss-Croatian Cooperation Programme;
- Organise and attend regular meetings with the NCU to discuss the status of the Project implementation and define measures to be taken;
- Provide information to the general public on the Swiss-Croatian Cooperation Programme and the Contribution;
- Participate in the consultative Monitoring Committee as an observer.

5.8 Swiss Agency for Development and Cooperation (SDC) and State Secretariat for Economic Affairs (SECO)

On the Swiss side, there are two competent authorities for the Swiss-Croatian Cooperation Programme: SDC and SECO. Their main tasks are to:

- Ensure the strategic and operational steering at the overall Swiss-Croatian Cooperation Programme level;
- Participate in the annual meetings organised by the NCU;
- Engage in a regular dialogue with the NCU and the other partners involved on the identification and the implementation of Projects as well as on the progress of the overall Swiss-Croatian Cooperation Programme;
- Provide support for Project identification and preparation;
- Decide on the financing of Projects submitted for funding;
- Decide on overall Swiss-Croatian Cooperation Programme issues;
- Supervise the overall Swiss-Croatian Cooperation Programme development through field visits and reviews;
- Network with the national and international actors relevant to the implementation of the Swiss-Croatian Cooperation Programme;

- Administrate the Swiss-Croatian Cooperation Programme on the Swiss side.

Switzerland may delegate some of these tasks to the Swiss Embassy.