

# GOVERNMENT OF THE REPUBLIC OF CROATIA

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Pursuant to Article 12, paragraph 2 of the Act on Institutions (Official Gazette 76/93, 29/97 and 47/99), the Government of the Republic of Croatia, at its session on 23 August 2007, adopted the following

## REGULATION

### ESTABLISHING THE CENTRAL FINANCE AND CONTRACTING AGENCY

#### Article 1

This Regulation establishes the Central Finance and Contracting Agency (hereinafter referred to as: the Agency), as a public institution, and regulates the activity, organisation, rights, obligations and financial resources of the Agency.

#### Article 2

(1) Activity of the Agency shall consist of financing, procurement, payments and monitoring of the implementation of programmes and projects of the European Union, in which the management and responsibility have been transferred to the Republic of Croatia.

(2) When performing the operations from paragraph 1 of this Article, the Agency shall:

- perform activities of Central Finance and Contracting Unit, in accordance with the obligations of the Republic of Croatia as defined in the agreements with the EU;
- cooperate with the bodies being a part of the system for the implementation of the programmes of the European Union in the Republic of Croatia, and with the European Commission within the framework of its activities;
- prepare and carry out tendering procedures, and sign contracts for procurement of services, supplies and works related to the system of implementation of the programmes of the European Union in the Republic of Croatia;
- manage the system of financial monitoring of the implementation of projects and financial assets flow (accounting, payments over sub-account within the National Fund account, monitoring and reporting);
- organize education related to its activity;
- advise the implementing units of public administration bodies on the regulations, rules and procedures for procurement and payments of services, supplies and works related to the system of implementation of the programmes of the European Union in the Republic of Croatia;
- perform the activities of the administrative office for twinning and coordinate the cooperation related to the twinning among the Republic of Croatia, Member States of the European Union and European Commission;

- perform other tasks from its scope of activity.

### Article 3

- (1) The establishing authority of the Agency is the Republic of Croatia. Establishing rights and obligations shall be performed on behalf of the establishing authority by the Ministry in charge of finances.
- (2) Agency shall have the status of a legal person and shall be entered in the court register.
- (3) Headquarters of the Agency shall be in Zagreb.
- (4) The Agency can establish its branch offices, the activities of which shall be regulated by the Statute of the Agency.

### Article 4

- (1) Internal organisation, powers and detailed decision-making models of the bodies of the Agency, establishing and activity of the Agency's branch offices, as well as other issues significant for the performance of activities and operations of the Agency shall be regulated by the Statute of the Agency.
- (2) Statute of the Agency shall be adopted by the Management Board of the Agency, with the consent of the establishing authority, at the proposal of the Director of the Agency.

### Article 5

- (1) Agency shall acquire funds for the performance its activities from the state budget of the Republic of Croatia and from its own revenues.
- (2) Funds for establishing of the Agency and its starting activities shall be provided by the state budget.

### Article 6

Bodies of the Agency shall consist of the Management Board and the Director of the Agency.

### Article 7

- (1) The Agency shall be managed by the Management Board, consisting of the president and two members.
- (2) National Authorising Officer by position shall be the president of Management Board
- (3) Members of Management Board shall be appointed by the Minister of Finance, on a 4-year term, at the proposal of the National Authorising Officer.
- (4) Management Board shall adopt a yearly work programme for the Agency, which shall regulate in detail activities of the Agency for a calendar year, monitor the implementation of the Programme, decide on financial plan, adopt the final account of the Agency, define types of services provided by the Agency with charges as well as the corresponding charges for the services provided, and perform other activities in line with the Statute of the Agency.
- (5) Management Board shall bring decisions at the sessions by the majority of votes of all the members of the Management Board.
- (6) Detailed decision-making models of the Management Board and other issues related to the activity of the Management Board shall be regulated by the Statute of the Agency.

## Article 8

- (1) Agency shall be represented by the Director of the Agency.
- (2) The Director shall organize and manage activities and operations of the Agency, undertake all legal actions on behalf of and for the Agency, represent the Agency in all procedures before courts, administrative and other State bodies, as well as legal persons with public competences, and within the limits of his/her powers, shall be empowered to authorise other person to represent the Agency in legal matters.
- (3) Director of Agency cannot, without special authorisation of the Management Board, act as other contracting party and sign contracts with institution on his/her own behalf and for him/herself, on his/her own behalf and for other persons, or on behalf and for other persons.
- (4) Director of Agency shall be appointed and relieved from duty by the Minister of Finance for a period of four years, at the proposal of the Management Board.
- (5) Director of Agency must have a Bachelor's degree and minimum 6 years of work experience in the relevant field of work.
- (6) At the proposal of the Director of the Agency, the Management Board shall nominate a Deputy Director of the Agency in line with the model and the procedure defined by the Statute of the Agency.
- (7) Deputy Director of the Agency shall replace the Director in case of absence or unavailability, and perform other tasks regulated by the Statute of the Agency.

## Article 9

The Agency shall have other monitoring, competent and advisory bodies the composition, establishing model, scope of activity and competences of which shall be regulated by the Statute of the Agency.

## Article 10

- (1) The Minister of Finance shall appoint a temporary Director of the Agency within 30 days after the day of entering into force of this Regulation.
- (2) Term of a temporary Director of the Agency shall last until the appointment of the Director of Agency, and not longer than six months.
- (3) Temporary Director shall adopt the interim Statute of the Agency, perform tasks related to entering the Agency in the court register and organize starting activities of the Agency
- (4) Interim Statute from paragraph 3 of this Article shall be applied until the entering into force of the Statute adopted by the Management Board of the Agency in accordance with Article 4 paragraph 2 of this Regulation.

## Article 11

The Agency shall perform the bookkeeping and write financial reports in accordance with the rules regulating the model of accountancy-keeping of budget beneficiaries.

## Article 12

The Agency shall not, without the consent of its establishing authority, acquire, financially commit, or take real estate or other property or conclude legal business activities with a value higher than the one stated in the Statute of the Agency.

#### Article 13

Monitoring of the legality of the activities of the Agency shall be performed by the Ministry in charge of finance.

#### Article 14

- (1) On the day of entering the Agency in the court register, the activities of the Department for financing EU assistance programmes and projects - Central Finance and Contracting Unit in the Ministry of Finance shall terminate.
- (2) Activities, archives and other documents, equipment as well as financial rights and obligations of the Department for financing EU assistance programmes and projects - Central Finance and Contracting Unit in the Ministry of Finance shall be taken over by the Agency.
- (3) Civil servants working for the Central Finance and Contracting Unit on the day of entry into force of this Regulation shall be offered the termination of employment by a mutual agreement and transfer to the Agency at the posts according to general provisions, rules and regulations on employment.
- (4) In view of implementation of paragraphs 2 and 3 of this Article, the Minister of Finance shall conclude a protocol with the temporary Director of Agency on the transfer of Central Finance and Contracting Unit within 60 days of the day of entry into force of this Regulation.
- (5) Civil servants from paragraph 3 of this Article, who will not accept the termination of employment by a mutual agreement and transfer to the Agency, shall be reallocated at the appropriate posts in the Ministry of Finance, in accordance with provisions, rules and regulations on civil servants.
- (6) Minister of Finance shall submit a proposal to the Government of the Republic of Croatia with the amendments to the Regulation on the internal organisation of the Ministry of Finance, in relation to the adjustment with the provisions of this Regulation within 60 days of the day of entry into force of this Regulation.

#### Article 15

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

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Zagreb, 23 August 2007

Prime Minister

Ivo Sanader, PhD