

Ministry of Science and Education

DIGITAL, INNOVATION, AND GREEN TECHNOLOGY PROJECT (P180755)



STAKEHOLDER ENGAGEMENT PLAN (SEP) (DRAFT for Appraisal)

MINISTRY OF SCIENCE AND EDUCATION

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ABBREVIATIONS

| | |
|------------|--|
| AM | Accountability Mechanism |
| CSF | Croatian Science Foundation |
| EDP | Entrepreneurial Discovery Process |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ESS | Environmental and Social Standards |
| EU | European Union |
| GRM | Grievance Redress Mechanism |
| GRS | Grievance Redress Service |
| ICT | Information and Communication Technology |
| M&E | Monitoring And Evaluation |
| NGO | Non-Governmental Organization |
| NRRP | National Recovery and Resilience Plan |
| OECD | Organisation for Economic Co-operation and Development |
| OG | Official Gazette |
| OIP | Other Interested Parties |
| PER in STI | Public Expenditure Review in Science, Technology, and Innovation |
| PIU | Project Implementation Unit |
| PSC | Project Steering Committee |
| RAS | Reimbursable Advisory Services |
| R&D | Research and Development |
| RDI | Research and Development Institutions |
| S3 | Smart Specialization Strategy |
| STP | Science and Technology Project |
| TA | Technical Assistance |
| TRL | Technology Readiness Level |
| WB | World Bank |

1 INTRODUCTION/PROJECT DESCRIPTION

1.1 Introduction

The World Bank (WB) is providing support to the Government of Croatia to implement the “Digital, Innovation, and Green Technology Project” (DIGIT).

The project development objective is to advance research and innovation with a digital and green focus through enhancing institutional infrastructure and research performance of research organizations and firms.

The Project aims to fill gaps in the institutional and other enabling conditions and financing for research and innovation. The interventions will build the capacities of institutions to deliver on the digital and green research and innovation agenda, complement and enhance the effectiveness of EU-funded investments, and finance digital and green research and innovation. The project supports reforms envisaged in the National Recovery and Resilience Plan (NRRP), Smart Specialization Strategy (S3), and activities important for OECD accession.

The Project consists of two (2) components and four (4) subcomponents:

| |
|--|
| Component 1: Enabling institutional conditions for digital and green research and innovation |
| <i>Subcomponent 1.1: Strengthening the institutional infrastructure for research and innovation policy</i> |
| <ul style="list-style-type: none">• Capacity development for design, implementation, and M&E of research and innovation programs• Institutional support for performance-based funding reform in research organizations• Financing for selected research and technology infrastructure projects |
| <i>Subcomponent 1.2: Strengthening effectiveness of research and innovation financing</i> |
| <ul style="list-style-type: none">• Funding to enhance the effectiveness of the program mix• Online diagnostic and technology scouting• Professionalization of research centers |
| Component 2: Programs for digital and green research and innovation |
| <i>Subcomponent 2.1: Pre-commercial digital and green R&D support</i> |
| <ul style="list-style-type: none">• Grants for pre-commercial digital and green R&D• Challenge program |
| <i>Subcomponent 2.2: Synergies program</i> |
| <ul style="list-style-type: none">• Synergies program |

Component 1: Enabling institutional conditions for digital and green research and innovation

Component 1 provides technical assistance and financing to strengthen institutional capacities for RDI support, address asymmetries for green and digital technology adoption and industry-science collaboration, support the professionalization of research centers, and improve the research and technology infrastructure.

Subcomponent 1.1: Strengthening the institutional infrastructure for research and innovation policy

This subcomponent aims to improve the institutional capabilities and infrastructure for RDI.

The activities under sub-component 1.1 will strengthen the Ministry of Science and Education's (MSE) ability to deliver on the green and digital mandates while furthering other strategic agendas and improving research excellence. Funding for key research and technology infrastructure projects will address financing gaps for infrastructure, create incentives for public research organizations to implement reforms, improve general conditions for digital and green research, and help bridge the gap between research and the private sector.

Specific activities to be supported under subcomponent 1.1:

- Capacity development for design, implementation and monitoring and evaluation of research and innovation programs: This activity includes technical assistance, on-the-job training, and project management support to strengthen the MSE's and the Croatian Science Foundation's (CSF) capacity to design, implement, monitor, and evaluate research and innovation programs. The activity will also support setting up and providing ongoing assistance to a dedicated help desk within the MSE to assist program applicants and beneficiaries. Finally, this activity will provide support to the existing M&E unit in the MSE (the department for monitoring the implementation of programs and projects) to improve its capacity to collect, analyze and utilize data to improve RDI programs and support—with a view to expanding into a self-sustained M&E Policy Analysis Unit during the project's duration. Where possible, the activity will mainstream impact evaluation practices to provide evidence for return on investment of different reforms and pilot programs.
- Institutional support for performance-based funding reform in public research organizations: This activity includes establishing a team within the Project Implementation Unit (PIU) dedicated to performance-based funding for research organizations. Under this reform, the project will provide technical assistance to set up a system within the MSE to assess the quality of research and innovation plans, monitor their implementation and guide research organizations through this process. The PIU will help to establish operational processes and practices that will continue to be used after project completion.
- Financing for select research and technology infrastructure projects: This activity will finance grants to research organizations addressing gaps in the availability of quality equipment and access to research and/or technology infrastructure. The selection of infrastructure projects will consider a set of non-exclusive criteria, including contribution to digital transformation and green transition, public-private collaboration, demand from the private sector, performance-based funding reform, lagging region development. Possible infrastructure includes a scientific center for electrical engineering and computing, a center for digitalization and greening in the maritime industry, and a STEM science center.

Subcomponent 1.2: Strengthening the effectiveness of research and innovation financing

This subcomponent provides complementary resources to enhance the effectiveness of research and innovation financing.

The activities under sub-component 1.2 are aimed at supporting policies and program management aspects that are necessary to boost the impact of EU funds for research and innovation. These include soft support services for applicants, piloting new interventions, and supporting the peer review process. Additionally, the subcomponent will provide pre-screening toolkits for digital and green diagnostics and technology scouting services to match business needs with technological possibilities at public research organizations. This will complement and improve the effectiveness of EU-funded investments related to digital transformation and green transition. Finally, support will be provided to professionalize research centers, many of which were created through EU funds, to improve their business-orientation and operational and management capacities.

Specific activities to be supported under subcomponent 1.2:

- Funding to enhance effectiveness of the RDI program mix: This activity will support initiatives to complement and address gaps in the current EU-financed programs and interventions. For example, financing will be provided to improve the peer review process for RDI project selection, develop the innovation support ecosystem, and pilot new interventions.
- Online diagnostic and technology scouting: This activity includes developing two diagnostic toolkits (one for digital technologies and one for green technologies) to provide firms with immediate insights into their current technology adoption and areas for improvement. This will help firms improve their understanding of their technology needs. This activity also includes developing technology scouting services in Croatia which will help firms define specific research needs and connect them to capacities in research organizations. This will help build better industry-research linkages and connect the private sector to existing research capacities and infrastructure.
- Professionalization of research centers: This activity will focus on improving the quality and business orientation of research centers. Grants will be available to research organizations to professionalize the management of research infrastructure by hiring professional management and/or technical staff (e.g., lab technicians) to efficiently manage existing research infrastructure.

Component 2: Programs for digital and green research and innovation

Component 2 provides sub-financing to cover the gaps in the program mix, as well as to improve the targeting of research and innovation support to digital and green technology.

Subcomponent 2.1: Pre-commercial digital and green R&D support

Subcomponent 2.1 will provide:

- Grants for pre-commercial digital and green R&D: grants of up to EUR 300,000 will be geared toward sub-projects conducted in cooperation between research organizations and firms. They will focus exclusively on R&D projects for green and digital solutions in early technology readiness level (TRL) stages. The funding will target sub-projects demonstrating the potential for inter-sectoral synergies

(e.g., interdisciplinary consortia) and projects that address the green-digital intersect as they may yield heightened additionality. Examples could include applied research in energy storage, carbon capture systems, smart grid technologies, artificial intelligence, and machine learning in transportation, etc. This instrument will help by developing projects that may be further scaled through existing EU and national funds, and available commercial financing sources.

- **Challenge program:** the program will provide grants and matching grants for R&D projects implemented by consortia comprised of firms and research organizations to develop forward-looking solutions for digitalization and green transition, including improving climate change mitigation and adaptation or resilience. Financing under the Challenge program will target a yet to be determined mission, aligned with the priority areas included in the S3 2029, prioritizing those areas which have not received NRRP or other financing.

Subcomponent 2.2: Synergies program

Subcomponent 2.2 will provide funding to support high-quality projects that receive Horizon Europe Seals of Excellence. Grants and matching grants between EUR 50,000 and 3 million – with an expected average grant size of EUR 300,000 – will be awarded to such projects to complement existing Horizon programs, expand the number of beneficiaries, improve the quality and commercial prospects for domestic research and innovation, and garner more interest in the Horizon program overall. This instrument fills a critical funding gap in the current Horizon scheme since Horizon Europe funding is extremely challenging to obtain for research organizations and firms from new EU member states. High-quality Croatian projects risk falling through the cracks in the absence of European or Croatian Seal of Excellence funds; hence the Synergies program will address this financing gap and increase the potential eligibility of beneficiaries for future EU and other financing sources.

1.2 Project overview

Project activities are expected to be sustained beyond the life of the project.

The support provided by the activities under Component 1 will solve critical deficiencies in the innovation system of the Republic of Croatia, thereby improving the institutional capacity and strengthening the effectiveness of EU funds. Many of the established and supported capacities are either strategic priorities (support to applicants and beneficiaries, as well as improved M&E) or legal obligations (performance-based funding of research institutions) that will continue after project implementation.

The financing provided under Component 2 will also help to support RDI pipeline development to enable downstream investment for sustainable investment in innovative beneficiaries. The programs are expected to continue being financed from other sources, if they are proven to be effective.

Part of these activities will be implemented in Zagreb, where the MSE is located. Infrastructure projects throughout Croatia will be financed, although when selecting research and technological infrastructure projects under subcomponent 1.1, among other things, lagging regional development will be taken into account.

Project stakeholder risks are assessed as low. The project has support from key political actors and aligns with important reform priorities highlighted by the European Commission. Stakeholders across the country are deeply aligned on this work's importance in increasing productivity and competitiveness.

1.3 Purpose and objectives of the Stakeholder Engagement Plan

Under Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure (ESS10), which is relevant for the DIGIT Project as specified in the Environmental and Social Management Framework (ESMF,) open and transparent engagement is important between all relevant parties involved in project preparation and implementation. The purpose of the present Stakeholder Engagement Plan (SEP) is to: identify relevant Project stakeholders, define the stakeholder engagement strategies for each, explain how stakeholder engagement will be implemented throughout the course of the Project and which methods will be used as part of the process; as well as to outline the responsibilities of the MSE, CSF and other actors in project implementation. The SEP will allow to assess the level of stakeholder interest and support to the Project and enable stakeholders' views to be heard and taken into account.

The Project's SEP will outline processes for structured and meaningful stakeholder engagement in order to build interest, uptake, capacity and enhance outcomes, while ensuring that stakeholders are able to:

- adequately inform planning, priority setting, and delivery mechanisms
- raise risks and concerns in timely ways to influence design and interventions that affect them. It will engage stakeholders at both the broader institutional and policy level while also including strategies for community level engagement for specific infrastructure and R&D grants if community impacts could arise.

The SEP objectives are to:

- Identify stakeholders who are directly or indirectly affected by and/or interested in the Project;
- Map stakeholders for each project activity and outlines objectives, procedures, and strategies for meaningful engagement to improve project outcomes and mitigate social risk across all project activities;
- Outline modalities for information dissemination and stakeholder engagement activities including their purpose, frequency and location during project preparation and implementation;
- Promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life on issues that could potentially create an impact;
- Define the roles and responsibilities of different actors to implement and monitor these activities;
- Ensure functional grievance redress/beneficiary feedback mechanism to raise issues;
- Ensure that appropriate project information on environmental and social risks and impacts is disclosed in a timely, understandable, accessible format; and
- Promote and maintain effective and inclusive stakeholder engagement throughout project life.

The SEP will be disclosed to the public both on the Ministry's website www.mzo.hr and the World Bank's website, consulted with relevant stakeholder representatives, and will be updated as necessary.

2 BRIEF SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

Project design is informed by previous analytical outputs, lessons from recently implemented RDI programs and continuous stakeholder consultation. The Public Expenditure Review in Science, Technology and Innovation (PER in STI) was the starting point for the identification of systemic challenges and areas for reform. Through the drafting of PER in STI outputs, key areas related to institutional capacities for programming were identified – most notably, the MSE showed room for growth in program monitoring and evaluation – while stakeholder consultations (interviews, surveys, and workshops) frequently highlighted a lack of institutional support for applicants and beneficiaries and ineffective connections of industry and public research as outstanding constraints. Furthermore, the ongoing RAS Strategic Partnership for Research, Innovation, and Growth (SPRING) continues to evince systemic bottlenecks in programming. Through the RAS, the MSE has stressed their need for support with the performance-based funding reform as well as for support funding for select interventions planned under the Smart Specialization Strategy 2029.

Revision and preparatory support for the updated S3 has been a pillar of RAS SPRING and has included the implementation of a stakeholder survey as well as several rounds of stakeholder consultations (also referred to as entrepreneurial discovery process or EDP) with the Thematic Innovation Councils.¹ Through the survey and EDP workshops (September and October 2021), stakeholders identified the need to pivot key industries towards increased sustainability and digitalization. As a result, each of the articulated thematic priority areas envision transformational objectives and interventions that reflect the re-orientation of RDI towards the intersection of green and digital technologies. Moreover, the workshops evinced the need for a thematic priority area and accompanying interventions for the ICT sector as a whole – leading to the introduction of Thematic Priority Area Digital Products and Platforms.

Two additional workshops (Split, May 2022 and Osijek, February 2023) were held with representatives of Croatian public higher education institutions and research organizations, represented by employees of the technology transfer offices, higher management and research managers. The workshops discussed the needs of researchers for adequate support programs. Stakeholders were also introduced to the features of the new performance-based funding approach. The planned policy mix was presented, with attendees expressing their feedback related to improvements of the programming process. Altogether, these efforts as well as an active and open relationship with the MSE have informed the design of the DIGIT project.

Representatives of the MSE continue to carry out dissemination activities, such as presenting programs and the policy mix at potential beneficiary institutions and participating on panel discussions at institutions such as the Faculty of Electrical Engineering and Computing, the Faculty of Science etc. This allows potential beneficiaries to express their views and have open Q&A sessions.

¹ Thematic Innovation Councils are industry-led governance entities under the S3, which correspond to the pre-identified thematic priority areas to which EU-funded RDI investment is targeted. The new S3 2029 consist of seven thematic priority areas: Personalized Health; Smart and Clean Energy; Smart and Green Transport; Security and Dual Use – Awareness, Prevention, Response, Remediation; Sustainable and Circular Food; Customized and Integrated Wood Products; Digital Products and Platforms.

3 STAKEHOLDER IDENTIFICATION AND ANALYSIS

In compliance with national regulations, the World Bank's ESS 10, and international standards, stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts. Similarly, in order to develop an effective SEP, it is necessary to determine who the stakeholders are and understand their needs and expectations, and their priorities and objectives in relation to the Project.

The Project stakeholders are people, communities and entities who have interests, could be affected by, benefit from, and/or could influence the project's overall objectives and activities.

ESS10 requires identification and engagement with the following categories of stakeholders:

1) *Project Affected Parties*. These include those likely to be affected by the project because of actual impacts or potential risks to their physical environment, health, security, cultural practices, wellbeing, or livelihoods. These stakeholders may include individuals or groups, including direct project beneficiaries and local communities. They are the individuals or households most likely to observe/feel changes from environmental and social impacts of the project.

2) *Other Interested parties (OIPs)*. This refers to: individuals, groups, or organizations with an interest in the project, which may be because of the project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector, the scientific community, academics, unions, women's organizations, other civil society organizations, and cultural groups. The stakeholder identification has been expanding to a wider area than the project will affect, since the locations have not all been identified, and important details of project activities are still under development.

3) *Disadvantaged/Vulnerable Individual or Groups*. Includes those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will consider considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon whom they depend.

For this Project, **key stakeholders** include: relevant government agencies; universities/research/academic institutions; communities where R&D and infrastructure will be carried out; key private entities that are represented in clusters, other private firms, platforms or associations with particular interest in green and digital economies/solutions; and civil society organizations involved in environmental, green economy and digital technology policies and R&D or representing vulnerable groups who could benefit from or be affected by these technologies.

It is particularly important to identify individuals and groups who may be differentially or disproportionately affected by the project.

It is also important to understand how each stakeholder may be affected or perceives the project so that engagement can be tailored to inform them and understand their views and concerns in an appropriate manner.

The stakeholder risk is moderate due to the need to coordinate with multiple stakeholders throughout the Project period.

3.1 Project affected parties

Project affected parties include public administration bodies, government agencies, research organizations, researchers and firms and local communities.

OVERVIEW OF BENEFICIARIES AND RESPONSIBLE UNIT FOR PROJECT IMPLEMENTATION

1.1. Strengthening the institutional infrastructure for research and innovation policy

- Capacity development for design, implementation and M&E of research and innovation programs

| BENEFICIARIES | IMPLEMENTATION UNIT |
|--|--|
| Ministry of Science and Education | PIU Design and Implementation Team |
| Croatian Science Foundation | PIU Help Desk Team |
| RDI support applicants and beneficiaries | PIU Horizon Europe Unit Support PIU M&E Policy Analysis Unit Team |

- Institutional support for performance-based funding reform in public research organizations

| BENEFICIARIES | IMPLEMENTATION UNIT |
|--|------------------------------------|
| Ministry of Science and Education Public research organizations | PIU Performance-based funding Team |

- Financing selected research and technology infrastructure projects

| BENEFICIARIES | IMPLEMENTATION UNIT |
|---|-----------------------------|
| Research organizations and/or private firms | PIU in cooperation with MSE |

1.2. Strengthening the effectiveness of research and innovation financing

- Funding to enhance the effectiveness of the program mix

| BENEFICIARIES | IMPLEMENTATION UNIT |
|--|-----------------------------|
| Ministry of Science and Education Business support organizations (such as technology transfer offices) Research organizations Researchers Firms | PIU in cooperation with MSE |

- Online diagnostic and technology scouting

| BENEFICIARIES | IMPLEMENTATION UNIT |
|---|-----------------------------|
| Firms Research organizations via research contracting | PIU in cooperation with MSE |

- Professionalization of research centers

| BENEFICIARIES | IMPLEMENTATION UNIT |
|-------------------------------|-----------------------------|
| Public research organizations | PIU in cooperation with MSE |

2.1. Pre-commercial digital and green R&D support

- Grants for pre-commercial digital and green R&D

| BENEFICIARIES | IMPLEMENTATION UNIT |
|---------------------------------|--|
| Firms Research organizations | PIU in cooperation with MSE and the Croatian Science Foundation |

- Challenge program

| BENEFICIARIES | IMPLEMENTATION UNIT |
|-----------------------------------|--|
| Public-private research consortia | PIU in cooperation with MSE and the Croatian Science Foundation |

2.2. Synergies program

- Synergies program

| BENEFICIARIES | IMPLEMENTATION UNIT |
|---------------------------------|--|
| Firms Research organizations | PIU in cooperation with MSE and the Croatian Science Foundation |

Additionally, local communities where R&D trials or research may take place could be potential affected parties. Their interests and concerns are related to potential risks and impacts arising from civil work activities as well as to certain activities related to R&D activities (e.g., sample collection, trial periods, etc.).

3.2 Other interested parties

The project will benefit the Croatian economy by improving the systemic outlook and conditions for research and development, promoting digital and green innovation, business growth, productivity and subsequent job creation.

Other interested parties include:

- Students
- Croatian entrepreneurs
- The scientific community in Croatia
- Ministry of Culture and Media
- Chamber of Architects
- Media and the general public
- Non-Governmental Organizations

3.3 Disadvantaged/vulnerable individuals or groups

Project beneficiaries are new and established researchers and owners of innovation companies. These individuals typically have a high level of education and social capital and tend not to belong to disadvantaged/vulnerable groups in society. Non-discrimination principles will be reflected in the TA provided to selected RDIs, embedded in the design of grant support programs and the proposed stakeholder engagement activities.

The project targets the gender gap in research and innovation funding.

Women are underrepresented among applicants to research and innovation support programs focusing on applied research. Women make up around 23% of applicants in research and innovation programs currently led by the MSE.

Gender oriented activities of the project:

- the Project will target outreach for funding opportunities specifically to women, e.g., part of the outreach and support will be intended for female scientists as project leaders. These activities will be part of the work plan of the help desk unit envisaged under Component 1 and will be mainstreamed into the processes of the MSE through institutional capacity building activities
- the contribution of the project to reducing the gender gap in research and innovation will be measured through the share of woman-led projects among applicants, the target for the share of woman-led projects among applicants is set at 30%
- the grant funding under Component 2 will ensure a fair and rigorous selection process that emphasizes the quality of the research proposal, including through blind reviews
- the support to develop M&E capacities under Subcomponent 1.1 will include a module on monitoring and reporting on gender gaps in the national research and innovation system which will improve policymakers' awareness and understanding of barriers faced by female researchers in Croatia

- The online diagnostic tools on green and digital technology adoption developed under Subcomponent 1.2 will target outreach to female-owned or managed businesses, including through targeting female-dominated sectors and advertising the tool in women-focused platforms and online publications. The purpose of this activity would be to encourage and prepare female-owned or managed businesses to adopt more sophisticated technology, thus closing the gender digital and firm productivity divide.
- the project will also conduct a citizens engagement survey on implementation of the project and aims to have the same satisfaction rate (70 %) for both women and men.

3.4 Overview of stakeholders interest and influence

Identified stakeholder groups and their level of influence cross-referenced with the interest they may have in the project will help determine the type and frequency of engagement activities necessary for each group.

Table 1 shows the description of the role, level of interest in and influence over the project of the various stakeholders identified above. See Table 2 below for specific areas and methods of engagement for each stakeholder.

Table 1. Level of stakeholder engagement based on their level of interest and level of influence

| Stakeholder group | Stakeholder | Nature of interest | Level of interest | Level of influence |
|--------------------------|-----------------------------------|---|-------------------|--------------------|
| Project affected parties | Ministry of Science and Education | <ul style="list-style-type: none"> • Main counterpart of the WB for Project implementation, responsible for the implementation of Component 1 and Component 2. • Boosting their capacities through technical assistance to serve the innovation system more effectively. | High | High |
| | Croatian Science Foundation | <ul style="list-style-type: none"> • Strategic guidance and inter-ministerial coordination, part of Project Steering Committee, Supporting body for project implementation of Component 2; establishing a Horizon Europe Support Unit, leveraging the existing Horizon contact points located in the Agency for Mobility and EU Programs. • Boosting their capacities through technical assistance to serve the innovation system more effectively. | High | High |
| | Project Steering Committee (PSC) | <ul style="list-style-type: none"> • Strategic guidance and inter-ministerial coordination. | High | High |

| | | | | |
|---|---|---|------|--------|
| Project affected parties (continued) | PIU | <ul style="list-style-type: none"> Leading day-to-day project implementation, financial management and procurement, monitoring project progress, conducting monitoring and evaluation, ensuring compliance with project social and environmental standards, preparing project reports, coordinating and collecting inputs from the relevant ministries and stakeholders, grievance management, SEP implementation and coordination. Boosting their capacities through technical assistance to serve the innovation system more effectively. | High | High |
| | RDI support applicants and beneficiaries | Interest in new projects and understanding the procedure competition. | High | Low |
| | Participating RDIs' and firms' staff | Interest in the project and understanding rules and procedures, gaining new knowledge. | High | Medium |
| | Private firms | Defining their research needs, matching with research capabilities, obtaining funding. | High | Low |
| | Public Research organizations | Receiving support for new research infrastructure, improving the management of existing infrastructure, establishing new collaborations with the private sector | High | Low |
| | Management and staff of companies who receive training under the project | Interest in the project and understanding rules and procedures, gaining new knowledge. | High | Medium |
| | Management and staff of organizations and individual consultants who provide training and/or consulting services to project beneficiaries | Interest in the project implementation, understanding rules and procedures, providing knowledge and expert support. | High | Medium |
| | Potential investors and entrepreneurship | Interest in timely implementation of the project and its impact to improved service delivery. | High | Medium |

| | | | | |
|---------------------------------|--|---|--------|--------|
| | support organizations | | | |
| | Local communities | Interested in R&D projects that could affect them through civil works, sampling, trial periods, etc.). | Medium | Low |
| Other interested parties | Students | Interest in overall Project results and impact, participation in programs and RDI transformation | Medium | Medium |
| | Croatian Entrepreneurs | Dissemination of Project results and investors | High | Medium |
| | The Scientific community in Croatia | Interest in overall Project results and impact, participation in programs and RDI transformation | High | Medium |
| | Media | Dissemination of information in local and national news | High | Medium |
| | NGOs active in the education sector | Implement additional education activities | High | Medium |
| | Ministry of Culture and Media (conservatory departments) and Chamber of Architects | Interested in civil works if works will be carried out on buildings that are protected cultural heritage or are located in the area of a protected cultural and historical entity | High | High |

Throughout the Project, the list of stakeholders will need to be reviewed and verified if there is a need to expand the list and engage with other stakeholders at critical points during Project implementation.

In general, engagement is directly proportional to impact and influence, and as the extent of impact of a project on a stakeholder group increases, or the extent of influence of a particular stakeholder on a project increases, engagement with that particular stakeholder group should intensify and deepen in terms of the frequency and the intensity of the engagement method used. All engagements should proceed on the basis of what are culturally acceptable and appropriate methods for each of the different stakeholder groups targeted.

4 STAKEHOLDER ENGAGEMENT PROGRAM

4.1 Information disclosure

The MSE will disclose information about project activities to allow stakeholders to understand the impacts of the Project and potential opportunities. Stakeholder engagement depends on timely, accurate, accessible, and comprehensible information. Making project-related information available as early as possible is important.

Documentation and information on updates from the project activities and the result of consultation with stakeholders will be disclosed on the Project's website.

Methods of communication with identified Stakeholders by the MSE and CSF

Methods of communication with identified stakeholders and general public will be through the DIGIT Project presence on the internet; through printed, on-line and audio-visual and social media.

Visibility/Informational materials

Visibility materials are intended for potential applicants and wider audience attending MSE's and CSF's events. In order to build awareness of the Project:

- a visual identity will be developed
- a roll-up, back drop, name tags, flyers, notebooks, posters, brochures, agendas, e-invitations and front pages for social networks, video clips and etc. will be created

Mass media Communication

In its communication with the relevant audiences, the MSE and the CSF will use a variety of national and local mass media (electronic, print and social) with which it will generate opportunities for meaningful and regular coverage.

Project's website

The Project will have its own website which will contain information about tenders and expressions of interest, as well as information from promotional events, workshops and other public events. The MSE's and CSF's websites will contain link to the Project's website (project logo).

Press release

MSE and CSF will communicate the main achievements of the project on the Project's website and try to get stories in the relevant national and local media. Specific media will be identified depending on decisions such as the location of the workshops, location of the infrastructure improvement, etc. MSE will produce small video stories about successful initiatives supported through the project, which will be published on the Project's website. Similarly, CSF will use Project's website to report on the main achievements of the project.

Communication Materials

Written information will be disclosed to the public via a variety of communication materials including brochures, flyers, posters, etc. Project's website will be updated regularly (at least on a quarterly basis) with key Project updates and reports on the Projects. Project's website will also provide information about the grievance mechanism for the Project.

Awareness raising events

Awareness raising events will be organized to increase the knowledge of the target group about the possibilities and impact of the project.

4.2 Strategies for consultation

Planned stakeholder engagement activities by the PIU (in cooperation with MSE and CSF)

General activities:

- MSE (PIU) will organize engagement events for identified stakeholders/target audiences:
 - o launch of call and promotional events
 - o training workshops
 - o responses to frequently asked questions published on website
 - o consultative meetings
 - o other promotional events
- continuous communication activities:
 - o press conferences (for larger infrastructure projects)
 - o press releases
 - o interviews for the media
 - o photographs, photo news
 - o features/success stories
 - o participation in events (conferences, panels, presentations)
 - o newsletters with information about progress on the project and upcoming activities
- beneficiary feedback activities
 - o annual surveys on research programs
 - o periodical and thematic surveys on research programs

The MSE (PIU) will organize promotional activities throughout Croatia upon launching future Calls for proposals. During the open calls, MSE (PIU) will organize workshops for interested applicants during which information about the application and project implementation processes are provided, and their questions answered.

MSE (PIU) will tailor the activities in line with future calls for proposals and the needs of the target audiences thereof.

Specific activities:

The MSE (PIU) will continue to consult with and engage all relevant stakeholders and interested parties in different stages of planning and implementing project:

- technical experts from PIU Design and Implementation Team (experts in program design, implementation, financing of digital and green research and innovation, state aid) will provide on-the-job training

- potential applicants for RDI funding will be supported by the newly formed national RDI Help Desk Team (help desk coordinator located centrally in the PIU and staff located in regional RDI hubs throughout Croatia) with:
 - project pre-screening, application and implementation support - query and comment resolution, open days for one-on-one consultations, project partner matchmaking
 - workshops and training - project proposal writing, updates on procedural requirements, project procurement, formulating project objectives and results frameworks, finding project partners
 - direct consulting and information campaigns - informing stakeholders of available funding opportunities and steering them towards available resources
 - stakeholder outreach, consultations related to program design, collecting feedback during and post implementation, roundtables, focus groups
- analytical and technical experts from PIU M&E Policy Analysis Unit team will build a real-time analytical and monitoring mechanism at the level of individual calls for proposals, programs, and program portfolio to signal the need for improvements in program design and management (analyzing the characteristics of applicants, applicant satisfaction, process monitoring, organizing focus groups with beneficiaries on implementation issues)
- research organizations will be able to use clarification and guidance services for the preparation of their research and innovation plans through an established Performance-based Funding team (part of PIU) that will also evaluate their research and innovation plans and monitor their implementation
- MSE (PIU) will conduct consultations with academia, civil society, and private sector in project selection for financing grants to research organizations for new research and technology infrastructure projects
- MSE (PIU) will support the peer review process by organizing meetings of experts in different fields of research
- MSE (PIU) will organize activities to promote the use of pre-screening toolkits and technology scouting through publicity campaigns and advocacy through business support organizations

Planned stakeholder engagement activities by the CSF

- The CSF will organize action events for identified stakeholders/ target audiences:
 - launch of RDI program
 - training and information workshops
 - other promotional events
- continuous communication activities:
 - press releases

- interviews for the media
- photographs, photo news
- features/success stories
- participation in events (conferences, panels, presentations, fairs)
- beneficiary feedback activities
 - annual surveys on research programs
 - periodical and thematic surveys on research programs

Table 2 summarizes planned stakeholder engagement program; target stakeholders, methods, feedback mechanisms, responsibilities and duration of engagement.

Table 2. Planned stakeholder engagement program

| Project activities | Target stakeholders | Topic(s) of engagement | Method(s) used | Feedback Mechanism | Responsibilities | Month of project implementation |
|--|--|---|--|---|---|---------------------------------|
| PLANNING AND PROMOTION OF THE DIGIT PROJECT | | | | | | |
| Project launch | <i>Research organizations, applicants and beneficiaries of research and innovation programs, researchers, firms, NGOs, industry associations, broader public</i> | Digital and green research and innovation in Croatia Women in science Project objectives and planned activities | Conference-style event Media releases Media interviews Website announcement | Panel discussions and audience questions will be included as part of the conference | MSE - Project Implementation Unit; persons responsible for communication activities | 1-2 |
| INPUTS AND FEEDBACK ON THE DESIGN OF DIGIT PROJECT ACTIVITIES | | | | | | |
| Capacity development for design, implementation, and M&E of research and innovation programs | <i>Research organizations, applicants and beneficiaries of research and innovation programs, researchers, firms, NGOs</i> | Issues in designing research and innovation support programs Improving interactions with applicants and beneficiaries Increasing the participation of women in research and innovation support programs | Website announcements Workshops Webinars Online questionnaires | Conclusions from workshops will be recorded in Minutes. Questions received during webinars and responses will be summarized into FAQs. A report will be produced from the results of the online questionnaires. | MSE – Project Implementation Unit; persons responsible for communication activities | 2-6 |
| Institutional support for performance- | <i>Public research organizations,</i> | Approaches to assessing the quality | Consultative meetings | Conclusions from meetings will be | MSE – Project Implementation | 2-6 |

| Project activities | Target stakeholders | Topic(s) of engagement | Method(s) used | Feedback Mechanism | Responsibilities | Month of project implementation |
|--|---|--|--|--|---|---------------------------------|
| based funding reform in public research organizations | <i>academia management representatives, researchers, researchers' unions</i> | of research and innovation plans of public research organizations | Online questionnaires | recorded in Minutes. A report will be produced from the results of the online questionnaires. | Unit; persons responsible for communication activities | |
| Financing for select research and technology infrastructure projects | <i>Research organizations, researchers, firms, regional development agencies, local governments, local community</i> | Understanding research and technology infrastructure needs and gaps Ensuring accessibility, inclusion, safety, and sustainability of research and technology infrastructure | Consultative meetings | Conclusions from meetings will be recorded in Minutes. | MSE – Project Implementation Unit; persons responsible for communication activities | 2-6 |
| Funding to enhance the effectiveness of the RDI program mix | <i>Researchers, firms, S3 thematic innovation councils, innovation support organizations, technology transfer offices, research organizations</i> | Feedback on peer review process in research and innovation programs Role and challenges of the innovation support system in Croatia Brainstorming new interventions for research and innovation support programs | Consultative meetings Workshops Webinars | Conclusions from meetings and workshops will be recorded in Minutes. Questions received during webinars and responses will be summarized into FAQs. | MSE – Project Implementation Unit; persons responsible for communication activities | 2-6 |

| Project activities | Target stakeholders | Topic(s) of engagement | Method(s) used | Feedback Mechanism | Responsibilities | Month of project implementation |
|--|--|---|---|--|---|---------------------------------|
| Online diagnostic and technology scouting | <i>Firms, research organizations, researchers, industry associations</i> | Presenting the results of the Technology Adoption Survey and other relevant diagnostics Using online diagnostic tools to inform investment decisions in digital and green technologies Challenges, obstacles, and success stories in industry-science collaboration | Webinars Conferences Q&A on the project website | Report following the webinar will summarize the discussion, suggestions, and any questions that arise. Panel discussions and audience questions will be included as part of the conference. | MSE – Project Implementation Unit; persons responsible for communication activities | 2-6 |
| Professionalization of research centers | <i>Public research organizations, academia management representatives, researchers, researchers' unions</i> | Challenges related to the management and business orientation of research centers | Onsite visits Consultative meetings | Conclusions from onsite visits and meetings will be recorded in Minutes. | MSE – Project Implementation Unit; persons responsible for communication activities | 2-6 |
| Programs for digital and green research and innovation (Component 2) | <i>Research organizations, firms, researchers, S3 Thematic Innovation Councils, NGOs, business support organizations</i> | Design of calls for proposals, including thematic focus, target beneficiaries, selection process, eligible activities | Online consultations Workshops Focus groups | Conclusions from consultations and workshops will be recorded in Minutes. Feedback from focus groups will be summarized into a report. | MSE – Project Implementation Unit; persons responsible for communication activities | 2-6 |

| Project activities | Target stakeholders | Topic(s) of engagement | Method(s) used | Feedback Mechanism | Responsibilities | Month of project implementation |
|---|--|---|---|---|---|---------------------------------|
| INFORMING POTENTIAL APPLICANTS ON UPCOMING CALLS FOR PROPOSALS | | | | | | |
| Launching calls for proposals (Components 1 and 2) | <i>Research organizations, firms, regional development agencies, researchers, NGOs</i> | <p>Informing stakeholders of available funding opportunities</p> <p>Information on the content and process of the call for proposals, attracting applicants</p> <p>Targeted information sessions for female applicants</p> <p>Finding project partners</p> | <p>Website</p> <p>Media</p> <p>Presentations</p> <p>Promotional events</p> <p>Matchmaking events</p> | Panel discussions and audience questions will be included as part of promotional events. | MSE – Project Implementation Unit; persons responsible for communication activities | 6-18 |
| FEEDBACK ON PROJECT IMPLEMENTATION | | | | | | |
| Feedback on institutional capacity building (Component 1) | <i>MSE and Croatian Science Foundation staff, researchers, firms</i> | <p>Satisfaction of MSE and CSF staff with capacity building support received on program design, implementation, and M&E</p> <p>Satisfaction with helpdesk support</p> <p>Satisfaction with reviews of research and innovation plans for performance-based funding</p> | <p>Online survey</p> <p>Public feedback and queries email</p> <p>Consultative meetings (e.g., public fora, workshops)</p> | <p>Feedback form and questions will be included in the survey and summarized in a survey report.</p> <p>Helpdesk users will be asked to provide anonymous feedback survey will be prompted.</p> <p>Annual public fora</p> | | 24-60 |

| Project activities | Target stakeholders | Topic(s) of engagement | Method(s) used | Feedback Mechanism | Responsibilities | Month of project implementation |
|--|---|---|--|---|---|---------------------------------|
| | | | | events will be organized in person or online, in the regions and entities affected, in which feedback will be provided. | | |
| Feedback on implemented calls for proposals (Components 1 and 2) | <i>Applicants to calls for proposals under the project</i> | Resources needed to apply Satisfaction with program design, application, and selection process | Online survey | Feedback will be collected during each call for proposals through online surveys and summarized in a survey report | MSE – Project Implementation Unit; persons responsible for communication activities | 6-36 |
| Implementation of subprojects under Components 1 and 2 | <i>Beneficiaries of calls for proposals under the project</i> <i>Local communities</i> | Satisfaction with program implementation Community-level engagement on infrastructure and R&D grants | Online survey Public feedback and queries email and postbox Onsite visits Consultative meetings (e.g., round-tables with beneficiaries, town halls with local communities, students, researchers, etc.) | Feedback will be collected annually through online surveys and summarized in a survey report. Semi-annual public fora events will be held online or in person in which beneficiaries and affected parties will provide their feedback. | MSE – Project Implementation Unit; persons responsible for communication activities | 6-60 |

| Project activities | Target stakeholders | Topic(s) of engagement | Method(s) used | Feedback Mechanism | Responsibilities | Month of project implementation |
|------------------------|--|---|--|--|---|---------------------------------|
| | | | | Open public email address for feedback under Component 2 Onsite postboxes for local community feedback on infrastructure. | | |
| PROJECT CLOSING | | | | | | |
| Closing event | <i>Research organizations, applicants and beneficiaries of research and innovation programs, researchers, firms, NGOs, industry associations, broader public</i> | Program results Lessons learned Success stories | Conference-style event Media releases Media interviews | Panel discussions and audience questions will be included as part of the conference. | MSE – Project Implementation Unit; persons responsible for communication activities | 54-60 |

5 RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

The social specialist within Project Implementation Unit (PIU) in the MSE will lead all aspects of stakeholder engagement. The social specialist will be responsible for managing communication, consultation and engagement activities with the support of other PIU team members:

- Project Management Team (Project Manager, fiduciary and procurement experts, an environmental expert)
- five implementation support teams (Design and Implementation Team, Help Desk Team, Horizon Europe Unit Team, M&E Policy Analysis Unit Team and Performance-based Funding Team)

The social specialist is also the main person responsible for the establishment and maintenance of the Grievance Redress Mechanism (GRM).

The existing means of communication (MSE's website, press releases and reporting to the Government) will be expanded by the Project and include a design of a resource website for the Project, where all information will be timely published. The budget for the implementation of the SEP will be provided through project funds.

To answer stakeholders' questions about the project or the consultation process, contacts on the Project's website will be used. A dedicated e-mail address will be created for the Project, where all questions will be directed to and answered from by the special Project Implementation team established. The designated e-mail address (digit@mzo.hr) will also allow for easier reporting about the number of stakeholders' questions and the content of their concerns.

6 GRIEVANCE MECHANISM

A Grievance Redress Mechanism (GRM) is a process for receiving, evaluating and addressing project related complaints, feedback, questions and suggestions from citizens and affected communities at the level of the project.

The mechanism focuses not only on receiving and recording complaints but also on resolving them. All complaints, queries and suggestions should be registered and will follow the defined procedures to ensure efficient and timely respond. Key definitions of grievance and complaint are as follows:

- complaint: an expression of dissatisfaction that is related to an impact caused by a project activity, which has affected an individual or group. Adversely, the interests of an individual or group and the individual or group want a proponent or operator (or contractor) to address and resolve it (e. g. problems related to dust deposition, noise or vibration). A complaint is normally of a less serious nature than a grievance;
- grievance: a claim raised by an individual or group whose livelihood, health and safety, cultural norms and heritage are considered to have been adversely affected by a project activity which, if not addressed effectively, may pose a risk to operations (through stakeholder actions such as

access road blockages) and the livelihood, well-being or quality of life of the claimant(s). The grievance mechanism described in this section includes both complaints and grievances.

The project-based GRM is intended to serve as a mechanism to:

- allow for the identification and impartial, timely and effective resolution of issues affecting the project;
- strengthen accountability to beneficiaries, including project-affected people, and provide channels for project stakeholders and citizens at all levels to provide feedback and raise concerns.

Having an effective GRM in place will also serve the objectives of: reducing conflicts and risks such as external interference, corruption, social exclusion or mismanagement; improving the quality of project activities and results; serving as an important feedback and learning mechanism for project management regarding the strengths and weaknesses of project procedures and implementation processes.

Project level GRM will provide a framework for complaints tracking, response, resolution within the stipulated response times, thus closing the feedback loop.

The project GRM will be managed by the central GRM point (PIUs social expert). The CSF will develop its own GRM (for Component 2), and the person responsible for the CSF GRM will report monthly to the PIU's social specialist on received and processed grievances. Regarding large infrastructural investments, a special Contractor GRM for civil works will also be established. The responsible person for the Contractor's GRM will be supervising engineer who will submit a monthly report on received and processed grievances to the PIU social specialist. The social specialist will implement all received grievances from Project GRM and Contractor's GRM in the database.

The MSE (PIU) will be responsible for the overall administration of complaints for all components, as the point of receipt of complaints directly or via reports from CSF or supervising engineers at construction sites of subprojects.

In addition to the GRM, legal remedies available under the national legislation are also available (courts, inspections, administrative authorities etc.)

The GRM will be accessible to a broad range of project stakeholders who are likely to be affected directly or indirectly by the project. These may include research organizations and researchers, firms, construction workers, as well as general public and media - all of whom will be encouraged to refer their grievances and feedback to the GRM. The GRM can be used to submit complaints, feedback, queries, suggestions or compliments related to the overall management and implementation of the project activities. The GRM's functions will be based on the principles of transparency, accessibility, inclusiveness, fairness and impartiality and responsiveness. It will establish clearly defined timelines for acknowledgement, update and final feedback to the complainant.

SORTING AND PROCESSING

The project envisages implementation of different types of activities, for which grievance mechanisms are prescribed in different national legal acts or the procedures stem from the Act on Administrative Procedure.

Project Implementation Unit (PIU) will assign a social specialist under the direct responsibility of the PIU Manager to be responsible for managing the GRM. The Grievance Redress Mechanism (GRM) will be available over the Project's website by using dedicated email address: digit@mzo.hr (for larger infrastructure projects, a separate address for each sub-project is recommended and CSF will have its own GRM email address for Grievances connected to the selection of research organizations and firms that will participate in the Project) to receive potential complaints or to report on occurred (or noticed) incidents. The GRM will also enable postal delivery for those persons who are not comfortable in using electronic ways of communication. The GRM will allow anonymous complaints to be raised and addressed, as this is in accordance with Croatian law. Information on GRM will be communicated on the Project's website and by its various communication materials, including through on-site information boards and posters at the construction sites and in the facilities comprised under the sub-project.

Depending on the situation, the PIU staff will address the grievance according to one of the following situations:

Grievance connected to public procurement

Any grievances that may occur during procurement of goods and services will be addressed according to national procurement legislation. According to the Public Procurement Act, grievance procedures are to be carried out in line with the Public Procurement Act and the Act on Administrative Procedures. Grievances are to be addressed to and resolved by the State Commission for the Control of Public Procurement Procedures, whose decisions are public. Deadlines for expressing grievances are defined by the Public Procurement Act.

Grievances connected to the selection of research organizations and firms that will participate in the Project

Grievances related to the selection process of Project participants should be submitted to the CSF, which will establish its own GRM mechanism. The call for proposals will contain clear and measurable criteria for selection, measurement scales and available funds.

The CSF will form a committee that will evaluate all the proposals according to the selection criteria, ensuring that conflict of interest of the members is not present. The evaluation will result in a provisional decision in accordance with the Statute of CSF and all applicants will be informed of the grievance procedure. CSF will submit a monthly report on received and processed complaints to the PIU unit.

Grievances connected to construction

Any grievances that may occur during the reconstruction/construction of research centers or organizations will be addressed according to national rules related to construction, as primarily defined by the Act on Construction and related legislation. According to the Act on State Inspectorate, inspection related to the implementation of legislation on construction, the use and maintenance of buildings and other related inspection tasks are done by the Construction Inspection.

Grievances related to construction and construction sites should be submitted to the supervising engineer (constructors GRM) at the construction site of an individual subproject or PIU directly. Supervising engineer will submit a monthly report on received and processed complaints to the PIU unit.

Grievances connected to workers' rights

Detailed information about workers' grievance mechanisms can be found in the Labor Management Procedure document.

Administrative procedure

In general, in Croatia, in all administrative matters, the Act on Administrative Procedure applies, and only some questions related to the administrative procedure can be differently defined by law, if necessary and in line with the fundamental stipulations of the Act. According to the Act, procedures can be initiated at a party's request or ex officio. Administrative matters are to be resolved in form of a written decision. In cases of immediate resolving, an official person is obliged to produce a decision and deliver it to the party no later than 30 days after the submission of a request. In cases when an examination procedure is carried out, an official person is obliged to produce a decision and deliver it to the party no longer than 60 days after the submission of a request. Against first-degree decisions, complaints can be expressed to the second-degree body, if not excluded by law. Complaints should be submitted to the first-degree body, no later than 15 days after a decision has been delivered, unless a longer deadline is prescribed. Complaints can also be submitted in case when a decision has not been reached within the deadline prescribed by the law, in this case also to the second-degree body.

The PIU will register all complaints in a dedicated Excel database and log the following information: Allocated tracking number of the case; Project subcomponent, Category and subcategory of feedback/complaint, Date received; Channel, Name of feedback provider/complainant; Type of organization; SEP-defined stakeholder group; Feedback provider/complainant contact details; Details of feedback/complaint; Date of response; Details of response; Action taken and response provided to the feedback provider/complainant; Feedback provider/complainant satisfaction with response provided; Current status of the case; Date of case closure, Adoption of feedback/complaint.

Acknowledgment and follow-up, investigation and action

Upon receipt of a project-related feedback or grievance, the PIU GRM focal point will acknowledge receipt of the feedback/grievance within 24 hours to the person who submitted it, outlining the way forward and how soon the feedback provider/complainant can expect to hear back from the project implementers.

In the case of complaints, the PIU GRM focal point will then investigate the submission by reaching out to relevant actors as appropriate.

Grievance resolution and complainant satisfaction

The PIU GRM focal point will propose a resolution to the complainant in writing within a maximum timeframe of 10 days from the moment the complaint was acknowledged. All grievances should be resolved within a maximum of 21 days of receipt.

In case a complainant is dissatisfied with the proposed resolution, PIU will form an internal Grievance Committee, consisted of Social Specialist with added supporting members (Environmental Specialist, Architect and other PIU team members) based on the topic of received complaint. Based on the conclusion of the Grievance Committee the resolution will be proposed to the complainant.

In case a complainant would still remain dissatisfied with the proposed resolution, an appeal may be lodged within 15 days following the receipt of the decision with the Ministry, who shall decide on the lodged appeal.

As a final level of appeal, an administrative dispute may be instituted before the Administrative Court of the Republic of Croatia. If the amicable settlement of any major dispute in implementation fails for any reason, complainants may still seek a judicial settlement before the competent court.

The PIU GRM focal point will also be responsible for designing and administering a short complainant satisfaction survey in order to capture feedback providers' satisfaction with their interaction with the parties implementing the project and the resolution proposed following the submission of their grievance.

Contractor GRM

The Contractor will be required to prepare and enforce a Code of Conduct for the workers and report on regularly basis all related incidents that might occur during the construction works. Furthermore, the Contractor will develop Environmental and Social Management Strategies and Implementation Plans (ES-MSIP) where the protocol for receiving and resolving complaints and administering incidents and accidents will be defined. Contractor ESMP (C-ESMP) will be developed and continuously updated (minimum every 6 months) to enable implementation of mitigation measures.

The complaints or the feedback could also be given in-person to responsible person at the construction site. In such case information should be forwarded to PIU (monthly report) and also reported as required from the Contractor.

CSF GRM

CSF will establish its own GRM mechanism. CSF will submit a monthly report on received and processed complaints to the PIU unit.

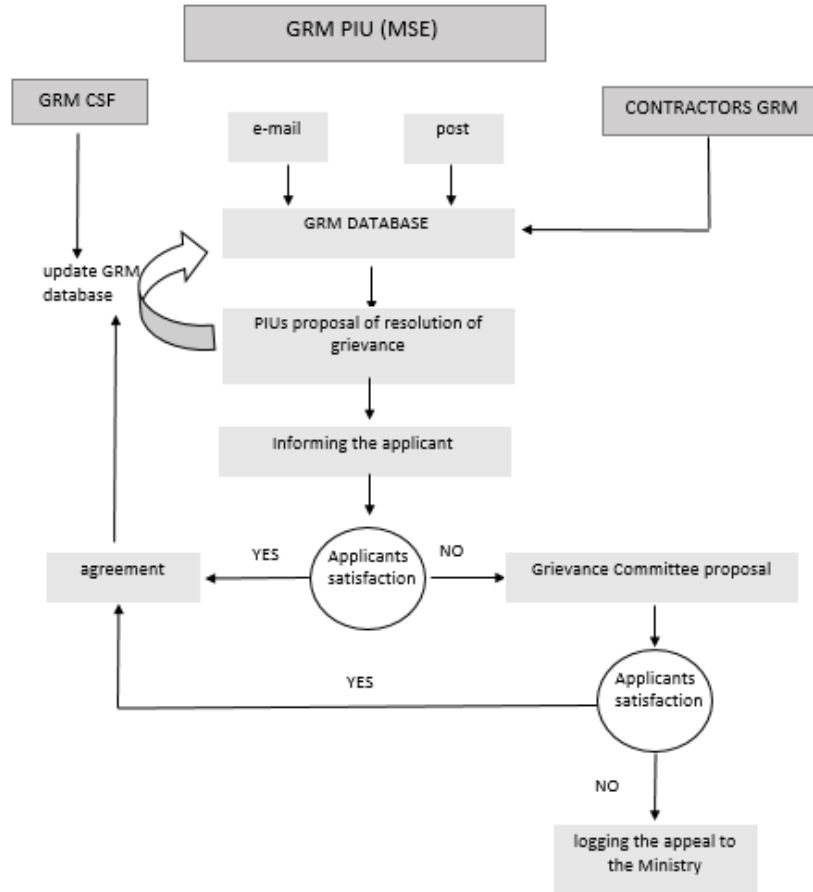
Feedback and grievance monitoring and analysis

Monthly summaries of complaints, feedback, queries, suggestions and commendations, along with the status of implementation of related corrective/preventive actions, will be collected by the CSF GRM and Supervising engineers of individual subprojects and forwarded to the PIU. Summaries will enable an assessment of the scope and nature of feedback received and increase the project's ability to process it in a timely and efficient manner. These reports will be included in semi-annual reporting to the World Bank.

Communication about the GRM

The GRM will be widely advertised, including through information boards and posters at construction sites and in facilities covered by the project, as well as on the MSE and CSF websites.

Figure 1. Overview of project GRM



Submitting grievances to the World Bank

Project stakeholders and citizens can also submit complaints regarding project activities through the World Bank Grievance Redress Service (GRS). Communities and individuals who believe that they are adversely affected by a World Bank-supported project may submit complaints to existing project-level grievance-redress mechanism or to the World Bank’s (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel (IP), which determines whether harm occurred, or could occur, as a result of the WB noncompliance with its policies and procedures.

Complaints may be submitted at any time after concerns have been brought directly to the WB’s attention, and Bank Management (BM) has been given an opportunity to respond. Information on how to submit complaints to the World Bank’s GRS is available here: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

Complaints can also be submitted to the IP of the World Bank. The IP is an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by a World Bank-funded project. Information on how to submit complaints to the World Bank’s IP is available here: www.inspectionpanel.org.

7 MONITORING AND REPORTING

During all phases of project implementation, information about the stakeholder engagement activities will be published on the Project website.

Reports about stakeholder engagement activities and use of grievance mechanisms will be part of the regular project implementation reporting activities to the World Bank.

The PIU will monitor the effectiveness of stakeholder engagement activities and their implementation through the following indicators: number of articles published in the press; number of meetings/consultations held; number of respondents to surveys; number of grievances resolved etc.).

Project will support monitoring and evaluation (M&E) activities to track, document, and communicate the progress and results of the DIGIT Project, including monitoring of the SEP. The PIU will be responsible for overall compilation of progress and results. Feedback and grievances received through the project grievance mechanism will be aggregated and included in annual reports.

The project will build on existing M&E systems set up by the MSE. Results will be disaggregated by gender and climate financing as indicated in the results framework. The PIU under the MSE will prepare semi-annual reports with data for the results framework, to be reviewed and discussed with the World Bank Group. The results framework data will be captured in Implementation Status and Results reports that the World Bank team will prepare periodically. Implementation support provided by the World Bank team will also enhance M&E. Thus, progress against objectives will be assessed on an ongoing basis. Component 1 will also support strengthening of M&E systems to improve policy guidance and streamline underlying data systems across different relevant ministries. Finally, the project M&E arrangements will also coordinate with existing initiatives within Croatia to support potential impact evaluations and expand evidence-based policymaking in the region.

Periodic summaries and internal reports on public grievances, together with the status of implementation of associated corrective/preventative actions will be collated by responsible staff PIU. The summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner.

Information on public engagement activities undertaken by the Project will be conveyed to the stakeholders in two possible ways:

- Publication of a standalone annual summary of the project's interaction with stakeholders, to be published on the website of the MSE
- Monitoring of stakeholder engagement indicators on a regular basis
 - number of consultations, including by using telecommunications carried out within a reporting period (e.g., monthly, quarterly, or annually);
 - number of public grievances received within a reporting period (e.g., monthly, quarterly, or annually);
 - number of press materials published/broadcasted in the local, regional, and national media.

To the extent possible, public outreach and citizen engagement activities for this Project will rely upon existing mechanisms and resources: public information boards with contact information publicly displayed in accessible locations around construction premises, online and print media (newspaper, magazines), posters and brochures, local and national media programs (radio and TV), newspapers, social media, projects websites, emails, SMS, etc.

In relation to the potential Environmental and Social impacts generated within each of the sub-project, the PIU team will closely work with the communications specialists, in order to facilitate community meetings, campaigns and surveys on issues specific to these groups, communicating information in a form and language that can be easily understood. It will be also identified ways to link public awareness and information efforts especially for vulnerable groups (e.g., people with disabilities, children / young people) or with gender networks and associations to help disseminate information and awareness.

The SEP is a "living document" and it will be upgraded and further adapted during the project realization to meet the specific needs of the Stakeholders.