



**EX-ANTE EVALUATION OF THE
OPERATIONAL PROGRAMME FOR FOOD AND BASIC MATERIAL ASSISTANCE
FOR THE PERIOD 2014-2020
(REPUBLIC OF CROATIA)**

Project Equals Development, Ltd.

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The evaluators would like to express their gratitude and appreciation to everyone who has provided us with information. Every effort has been made to guarantee the accuracy of the information and data given, and any factual errors which might remain are unintentional and are merely the responsibility of the evaluators.

This report does not necessarily reflect the views and opinions of the Ministry of Labour and Pension System.

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List of abbreviations

EC	The European Commission
ESF	European Social Fund
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
IPA	Instrument for Pre-Accession Assistance
MA	Managing Authority
MS	Member States
MSPY	Ministry of Social Policy and Youth
MLPS	Ministry of Labour and Pension System
NGO	Non-Governmental Organisation
OP	Operational Programme
ROC	Republic of Croatia
SF	Structural Funds

0. Executive summary

This final ex-ante evaluation report represents an independent analysis of the Croatian OP for food and basic material assistance for the period 2014-2020, in order to facilitate its increased overall performance and optimise cumulative impact of the Fund. The structure of the report was formulated around the obligatory evaluation questions in line with the Article 16 of the Regulation (EU) No 223/2014 on the Fund for European Aid to the Most Deprived.

In terms of methodology, this report was informed by extensive desk-based review of all relevant documents and repeated face-to-face, electronic mail and telephone consultations with the officials from the Ministry of Labour and Pension System and Ministry of Social Policy and Youth, who were primarily responsible for drafting of the respective OP.

The report is based on two drafts of the Croatian OP which were provided to the evaluators in August and September, 2014. Based on the recommendations proposed by the first ex-ante evaluation report delivered to the officials responsible for drafting of the OP, the final draft of the OP represents an improved version on a number of specific issues.

The following conclusions and recommendations represent the key points of this ex-ante evaluation report, analyzed in detail throughout the main body of the text, being summarized here as follows:

Conclusion 1

Representing the country with one of the highest rates of risk of poverty and social exclusion in the EU, the current social needs in Croatia are unquestionably widespread. Building on the existing national, local and nongovernmental interventions, through increasing the total available resources, this Fund represents a significant instrument and added value in reaching national goals to reduce the number of persons at risk of poverty and social exclusion, and consequently contributing to the achievement of the EU target.

Conclusion 2

The final draft of the OP made an appropriate decision to concentrate solely on material aid, in contrast to potential development of the OP II, directed towards social inclusion

measures, securing in this way its high coherence with the national priorities funded through the ESF.

Conclusion 3

Decision to exclude clothing and footwear from the list of potential material aid represents one additional clear point of national contextualization of the respective OP, based on experience of commonly provided humanitarian aid which indicates this specific type of material aid is more accessible and available in Croatia, being thus less needed in comparison to others.

Conclusion 4

Given national context, where until this point humanitarian organisations were the prime agents in delivering material aid, it can be justified to assign them the role of targeting aid based on their experience and professional judgment. The recommendation is however to dedicate additional efforts prior to drafting of the first round of calls for proposals to further analyze this issue of defining programme's end recipients, taking into account considerations outlined in this report. This is especially highlighted in light of the fact that even if the currently selected mechanism for partner organisations to perform the task of selecting the end recipients, the national authorities have to have clear internal criteria based on which they would approve or argue against partnership organisations' proposals.

Conclusion 5

The recommendation of this ex-ante evaluation has been accepted and the final draft of the OP presents a more balanced annual financial breakdown. The first two years represent a gradual increase in available funds, with fully equal amounts in the subsequent years until the end of the budget period. In this way, the final proposed budget managed to incorporate two timely anticipated implementation risks – the fact that this programme represents a new type of public action, with various supporting elements still to be gradually developed and fully established, as well as to ensure continuity and predictability among the selected partnership organisations agents and programmes' end recipients.

Conclusion 6

In terms of budget allocation between the two groups of proposed material assistance, - (1) food and (2) hygiene goods, school material and other goods - the allocation in favour of

food distribution is appropriate given the fact it represents the most basic human need. In line with that, accompanying measures have been allocated around 1/20 of the budget which can also be assessed as appropriate.

Conclusion 7

The process of involvement of relevant stakeholders has been timely acknowledged and managed by good practice in this type of structured interaction. However, the future areas of needed consultations and measures for increased transparency of this process are identified.

Conclusion 8

In contrast to the OP II, the template for the OP I did not ask from the MS to elaborate on the expected results, corresponding outputs and results indicators, nor the analysis of the scope of the action. Having this in mind, some general conclusions in regard to prospect for the overall programme's effectiveness suggest its overall structure carries the capacity to represent a significant tool in delivering national and EU target in regard to reduction of persons at risk of poverty and social exclusion.

Conclusion 9

According to the respective delegated act, the monitoring process is fully predefined, and national authorities have to follow agreed procedures. The selected partnership organisations, representing programme's implementing agents, should get timely introduced to the proposed system of monitoring in order to synchronize their approach with their previous monitoring practices.

Conclusion 10

In terms of institutional responsibilities, the current draft of the OP has to extend on the section of institutional set-up, which at this point only names the institution in the institutional structure. This has to be adopted in the following period, which would make the current draft of the respective OP entirely complete. It is however assessed as appropriate that the institutional structure is planned to be the same as for managing of the ESF, reassuring their mutual coherence.

1. Introduction

In line with the European Union strategy for smart, sustainable and inclusive growth - Europe 2020 strategy, the Union and the Member States have set themselves the objective of having at least **20 million fewer people at risk of poverty and social exclusion by 2020**. Nonetheless, in the recent years the number of people who are at risk of poverty or social exclusion, as well the ones already suffering from material, or even severe material, deprivation has grown across the Union. Since this population **cannot meet their most basic needs**, as a precondition for them to take part in the activities such as the ones funded by the ESF, for the period 2014-2020 the EU decided to formulate a **novel, complementary tool – the Fund for European Aid to the Most Deprived**, to replace and expand on the previously existing European Program of Food Aid to the most Deprived.

As a new member state, sharing with the rest of the European countries these negative social trends, the Republic of Croatia (hereinafter Croatia) **has been allocated with 36,757,640.00 € from 2014 to 2020 from this Fund**, obliged to co-finance the programme with 15%. This ex-ante evaluation report represents an **independent analysis of the OP's overall design on a number of specific issues. The recommendations based on this analysis should in turn increase programme performance and optimise cumulative impact of the Fund**. This is a **formal requirement**, based on the Regulation (EU) No 223/2014 on the Fund for European Aid to the Most Deprived (hereinafter the Regulation), and **this report should be sent together with the final draft of the OP to the Commission services** to be considered when assessing the programme prior to its approval and adoption. Nonetheless, these identified recommendations **should primarily suit relevant national authorities in delivering more effective intervention**.

In line with the Article 15, paragraph 2 of the Regulation (EU) No 223/2014, this ex-ante evaluation is **performed by the consultancy company which is functionally fully independent from the authorities responsible for operational programme implementation**, preventing in turn any conflict of interest and being in this way supportive of the best professional practices in conducting external evaluations.

This final ex-ante evaluation report is **based on two drafts of the Croatian OP**, provided to the evaluators on **August 22 (in the later text referred as August draft) and September 9, 2014 (in the later text referred as September or the final draft)**. The August draft represented a **somewhat corrected version from the draft completed in July**. The changes

made between the July and August draft were primarily in terms of **rearranging some individual chapters in order to meet stipulated word limits**, and these were **acknowledged by the officials** responsible for drafting of the OP **independently from the evaluators and prior to their engagement**. The **July draft was thus not specifically considered for ex-ante evaluation**. Based on the recommendations proposed by the first ex-ante evaluation report delivered to the officials responsible for drafting of the OP on **September 2, 2014, the changes between the August and September draft were more substantial**. This final ex-ante evaluation report would thus **make references to these changes** in order to **fully document the process of improvements and clarifications of the respective OP**. The following table summarizes the described process of ex-ante evaluation.

Table 1 – Summary of ex-ante evaluation process

Date	Activities and outputs
August 6, 2014	Selection of the evaluators for service of ex-ante evaluation of the Croatian OP for food and basic material assistance for the period 2014-2020
August 12, 2014	Consultative meeting with representatives from the MLPS and MSPY
August 12, 2014	July draft of the respective OP and all supporting documents delivered to the evaluators
August 22, 2014	Corrected August draft of the respective OP delivered to the evaluators
August 22-September 2, 2014	Consultations with the representatives of the relevant ministries on a number of specific issues of interest to the ex-ante evaluation
September 2, 2014	Draft of the ex-ante evaluation with a set of recommendations delivered to the relevant ministries
September 5, 2014	Responses on the ex-ante evaluation draft by the representatives from the MSPY
September 8, 2014	Consultations with the MSPY on a number of opened issues in the August draft based on the ex-ante recommendations
September 9, 2014	Comments on the ex-ante evaluation draft by the representatives from the MLPS
September 9, 2014	Improved September draft of the respective OP delivered to the evaluators
September 10, 2014	Final ex-ante evaluation report, considering received comments delivered to the relevant ministries

Usually an ex-ante evaluation is developed in parallel with development of the respective OP, resulting in sequential interim reports and recommendations to those who are responsible for the preparation and elaboration of the programming document. In this particular case, **the process of ex-ante evaluation was initiated after the first draft was already formulated**. Although **the exchange of comments between the evaluators and the relevant Ministries on the draft of the OP did take place**, resulting in subsequent changes of

based on proposed recommendations, the **time for this evaluation phase** was **somewhat limited by the deadline for submission of the final draft of the OP to the Commission services**. In contrast to the Structural Funds, which cover a wide range of areas and target groups, this particular Fund is rather narrow in scope and complexity, with a number of elements predefined by the Regulation. Nonetheless, despite this seemingly less demanding programming cycle, **the recommendation is that in any similar situation the procurement of ex-ante external evaluators is initiated earlier in the programming process, in order to allow more unperturbed mutual exchange of comments**.

The main text of this report contains **five chapters**, including **executive summary**, which presents all the key points elaborated in the report, as well as conclusions and recommendations. Following this **introductory chapter**, in **chapter 2** we elaborate on the **used evaluation methodology and sources of information**. The main **chapter 3 presents the key analysis**, organized around the **main evaluation questions**, as they are outlined in the Article 16 of the Regulation. These evaluation questions have been **grouped under the most common evaluation criteria** of **relevance**, as well as **prospect for effectiveness and efficiency**. Finally, in the concluding **chapter**, we present our **recommendations**, based on the analysis presented throughout the report.

Acknowledging the Article 15, paragraph 3 of the Regulation, the evaluators have made **all efforts to prepare a compact, but comprehensive evaluation report**, not to cause unnecessary administrative burden to the parties who would subsequently be informed by it.

2. Methodology and sources of information

In line with the Article 16 of the Regulation (EU) No 223/2014 on the Fund for European Aid to the Most Deprived, **this ex-ante evaluation would appraise the following elements:**

- (a)** the contribution to the Union objective of at least 20 million fewer people living in poverty or at risk of poverty and social exclusion by 2020, having regard to the selected type of material deprivation to be addressed and taking into account national circumstances in terms of poverty and social exclusion and material deprivation;
- (b)** the internal coherence of the proposed operational programme and its relation with other relevant financial instruments;

- (c) the consistency of the allocation of budgetary resources with the objectives of the operational programme;
- (d) the contribution of the expected outputs to the results and thus to the objectives of the Fund;
- (e) the involvement of relevant stakeholders;
- (f) the suitability of the procedures for monitoring the operational programme and for collecting the data necessary to carry out evaluations.

In order for a more systematic presentation of findings, these initial questions have been **grouped under the evaluation criteria of relevance, as well as prospect for effectiveness and efficiency. The question a., b., c. and e.,** covering the issue of compliance with the EU strategic goals, internal and external coherency, relevance of involved stakeholders, and consistency of budget allocations **are analyzed as directly related to the overall relevance of the proposed OP.** The analysis under the **question d.,** focusing on the expected outputs to the results and subsequently objectives of the Fund are analyzed as **the issues related to future effectiveness.** Finally, the **question f.,** covering the issues of monitoring and data collection is **analyzed as being relevant for future efficiency** of the programme.

In terms of **sources information,** the analysis of this ex-ante evaluation report has been **informed by the following inputs:**

- ✓ **Desk-based review of all relevant documents** - including programme texts, applicable regulation, supporting documents, reports and minutes from meetings, as well as policy documents relevant to the sector. (Appendix B identifies the full list of consulted documents.)
- ✓ **Repeated face-to-face, electronic mail and telephone consultations with the officials from the Ministry of Labour and Pension System and Ministry of Social Policy and Youth,** who were primarily responsible for drafting of the respective OP. (Appendix A identifies the participants in these consultations.)

3. Basic features of the Croatian OP I

According to the Regulation (EU) No 223/2014, the Fund has left each MS the option to decide on the OP I to provide food distribution aid and/or basic material assistance, and/or OP II directed towards social inclusion measures. Dedicating a large share of different social inclusion measures under the ESF, **the Republic of Croatia has opted to focus on development of the OP I, in order to guarantee high mutual coherence between these two complementing funds.** The **types of material deprivation** covered by the Croatian OP I thus include:

1. food deprivation;
2. lack of hygiene goods, school material and equipment for school-age children and other basic necessities (linen, towels and similar).

For each of the national OPs, the Regulation proposed defining **‘accompanying measures’**, which should be provided in addition to distribution of assistance in order to alleviate social exclusion and/or tackling social emergencies in a more empowering and sustainable way. Croatian OP has proposed the following **indicative list of these measures, allowing partner organisations to suggest other measures** relevant to the needs of the most deprived:

- counselling on balanced nutrition;
- counselling on the subjects of health care, personal hygiene and home hygiene;
- counselling related to the upbringing, education and health care of children;
- domestic budget management counselling.

The second important feature of the Croatian OP is its **decision to define the ones considered to be the most deprived**, representing **programme’s end recipients**. The proposed mechanism by the respective OP is **to delegate this decision to the humanitarian organisations who would qualify as partner organisations in implementing this programme. They should use criteria for identification of the most deprived persons in accordance with their charters and work plans and programmes, which are transparent and fair and include contribution and data exchange with all relevant organisations (CSW and NGOs) on national, regional and local level.** These criteria should be **determined as relevant and approved by the Managing Authority.**

In terms of **territorial scope** of the action, given that the Republic of Croatia is facing increasing ‘urban poverty’, it is set by the OP that the **assistance through the Fund will be provided on the territory of the entire country.**

Based on the model proposed by the Regulation, **the key implementing agents are 'partnership organisations'** - public bodies and/or non-profit organisations that deliver food and basic material assistance. In line with that model, **the third key specific feature of the respective OP is setting the criteria for selection of partner organisations**, including the following elements:

- the partner organisation can demonstrate social inclusion measures;
- the partner organisation has experience in implementing activities of food delivery/ delivery of basic material assistance;
- the partner organisation has a developed network for the delivery on the entire territory of the RoC/ or is strongly networked in partnerships on the local and regional level;
- the partner organisation has developed organisational capacities for the delivery of food/basic material assistance and/or implementation of accompanying measures;
- the partner organisation has a model of food distribution/ hygiene goods distribution, school supplies and other supplies that ensures an as simple as possible access of the most deprived persons;
- the activities of the partner organisation is aimed at disadvantaged persons;
- the partner organisation has a work programme from which it is evident that the planned activities and beneficiaries are in accordance with Art. 2 of the Act on Humanitarian Activities and that they have ensured contractors, premises and equipment;
- the partner organisation holds an Authorisation for the collection and provision of humanitarian aid;
- the partner organisation keeps records of the collected and provided humanitarian aid and delivers reports to the competent office once a year, based on the Act on Humanitarian Aid.
- the partner organisation has developed capacities for the implementation of public procurement in accordance with valid regulations of the RoC or provides a clear action plan for the insurance of such capacities, in the context of the procurement of food and other necessities defined by this operational programme

The overall structure of the OP has satisfied organisation of chapters and section, as well as their needed content and size, as they are suggested by the Regulation. In the subsequent chapter of this report, the main analysis would focus in detail on obligatory evaluation questions outlined by the presented Article 16 of the Regulation, identifying simultaneously areas for further considerations.

4. Analysis of the Croatian OP I through the main evaluation questions

4.1. Relevance

(a) Analysis of the contribution to the Union objective of at least 20 million fewer people living in poverty or at risk of poverty and social exclusion by 2020, having regard to the selected type of material deprivation to be addressed and taking into account national circumstances in terms of poverty and social exclusion and material deprivation

European 2020 Strategy aims at reducing the number of Europeans living below the national poverty lines by 25%, lifting over 20 million people out of poverty. Croatia's contribution to this goal has been previously defined and confirmed by the European Commission in a number of documents. The most relevant one among these is **Croatian Strategy for Combating Poverty and Social Exclusion 2014-2020**, adopted on March 27, 2014. This document sets the goal for Croatia **to reduce the number of persons at risk of poverty and social exclusion by 150,000 until 2020**, which is relatively proportional to the EU target. Building on the existing national, local and nongovernmental interventions, **through increasing the total available resources**, this Fund represents **a significant instrument and added value in reaching this national goal, and consequently contributing to the achievement of the EU target.**

Representing the country with one of the highest rates of risk of poverty and social exclusion in the European Union, current social needs are unquestionably widespread. Available statistical data show that the **at-risk-of-poverty rate in 2012**, after social transfers, **amounted to 20.5 %**, and the percentage of persons at risk of poverty and social exclusion **amounts to 32.3 %**. A large number of persons in Croatia, **15.4 %** or 659.000 of them in 2012, live in a state of **severe material deprivation** and are **not able to satisfy their basic needs**. In light of these figures, **the national goal of reaching 150,000** individuals who are lifted out of poverty and social exclusion threat is **somewhat moderate**, but it **reinforces the need for multiplication of existing efforts, as well as the need for developing new tools.**

Given the scale of the problem, as well as the activities agreed to be supported by the ESF, **in the respective OP there are two appropriate decisions made to accommodate the overall programme orientation to concrete national conditions.**

- ✓ Firstly, **the decision was made to concentrate solely on material aid, in contrast to potential development of the OP II, directed towards social inclusion measures.** In this way, **the intervention is fully focused on the ones excluded from the types of activities financed by the ESF, and who do not have their even basic needs met in order to participate in the projects by this complementary fund.** More specifically, the proposed **Croatian OP ‘Efficient Human Resources’ 2014-2020 dedicated one entire thematic priority to social inclusion (priority area 2), while the goal of social inclusion is also embedded in the priority area 1 (High employment and labour mobility).** In this context, it was fully appropriate to focus all attention solely on the OP I.

- ✓ Secondly, decision to **exclude clothing and footwear from the list of potential material aid** represents one **additional clear point of national contextualization of the Croatian OP I.** This decision is based on experience in humanitarian aid which shows **this specific type of material aid is more accessible and available in Croatia, being thus less needed in comparison to others.** In line with recommendation of this ex-ante evaluation, presented in the first ex-ante evaluation report, **the final draft of the respective OP incorporated the section which explicitly states this decision to exclude clothing and footwear as a national priority and provides argumentation for it.**

(b) Analysis of the internal coherence of the proposed operational programme and its relation with other relevant financial instruments

Analyzing existing interventions in Croatia intended for the most deprived ones, and having regard to the earlier described scale of the current needs, **this particular instrument seems to complement the already existing ones, expanding at the same time their overall scope.** Nonetheless, **in the following period prior to development of the first calls for proposals, there are some specific points that would need further elaboration in order to avoid any potential ambiguity in targeting aid on the ground.**

The **legal framework** defining the national schemes concerning the poverty and material deprivation issues includes primarily the **Social Welfare Act (OG 157/13)** and **Humanitarian Aid Act (OG 128/10)**. On the top of that, this policy area is governed by a newly adopted **Strategy for Combating Poverty and Social Exclusion 2014-2020**. Although these legal and strategic documents administer various forms of aid provision to the most needed individuals, there is **no unified national publicly-funded scheme that distributes non-**

financial aid in all areas of material aid proposed by the respective OP, and this programme thus represents a novelty in terms of its scope and implementing model. The current schemes similar to this programme are divided between the national, local and humanitarian initiatives. Having in mind this national context, the **issue of coherence represents a complex issue, becoming the most delicate in relation to defining target groups suitable for receiving material aid under this programme.**

The Regulation clearly postulates the need for ‘objective criteria’ in defining programme’s end recipients, which should consequently secure the principle of equality. **In line with the possibility defined in the Article 2, paragraph 2 of the Regulation, this respective OP has opted for a mechanism in which these criteria are defined by the selected partner organisations and later approved by the relevant national authorities.**

The August draft of the OP, although acknowledging this mechanism, was also proposing some specific end recipients of material aid distributed through this programme¹. The proposal of these target groups **was initially developed through the consultation process, although there were some differences from the proposals put forward by various stakeholders, and the August draft of the OP².** The evaluators have acknowledged this difference is legitimate, although **pointed out it asks for further argumentation in order to maintain the high level of transparency of the consultation process.** Moreover, the evaluators have pointed out that some initial proposed target groups were lacking distinguishing features, such as **very widely set target group of ‘single parents’ and ‘elderly’, both representing large, heterogeneous groups,** with a great difference in their individual material status.

In regard to other proposed target groups set by the August draft of the OP, the evaluators **have assessed as appropriate for this programme to make use of the elaborative existing social criteria, such as the guaranteed minimum benefit.** The new Social Welfare Act has introduced this right which integrates four financial benefits with a social component (maintenance assistance, two veterans' benefits and the extended unemployment benefit), and outlined multiple criteria for one to fulfil the conditions to this financial assistance. **Relaying on this criterion surely represents a way of ensuring coherence with the existing legal framework, building on the parallel national efforts for improved transparency in defining the ones entitled for assistance.**

¹ These included: Beneficiaries of the guaranteed minimum benefit; Family with four children and more; Single parents; Elderly and disabled people; Children at risk of poverty; Homeless persons; Families that, due to the minimum difference between the income and the threshold for realising the rights to the guaranteed minimum benefit, do not have the right to assistance.

² Such as, long-term unemployed; employed but are who are not receiving salary; and Roma people.

One particular target group based on the August draft related to **'families that, due to the minimum difference between the income and the threshold for realising the rights to the guaranteed minimum benefit, do not have the right to assistance'**. This criterion has been developed **based on the field inputs from the potential partnership organisations through the process of consultations**, being thus **routed in real needs recognized on the ground**. Although carrying some **risks of potential arbitrariness**, it does incorporate the goal of the **Fund to broaden the scope of the action and in that way expand the efforts of national governments, which they are financially limited to do**.

Having in mind these earlier evaluators' comments on the August draft of the OP, as well as extensive subsequent consultation with the relevant ministries on this specific issue, it can be concluded **the issue of comprehensive definition of target groups to be reached by this programme still represents an open issue**. The general, rather **justified attitude of the relevant national ministries was not to systematically exclude at this point any particular group of end recipients**, having in mind the OP represents an umbrella document that would govern all future calls for proposals. Due to these reasons, **the original list of proposed target groups have been withdrawn from the final draft of OP**, realizing the need for **further participative analysis in order to set a more definitive and comprehensive proposal**.

In conclusion to this issue, given Croatian national context, where **until this point humanitarian organisations were the prime agents in delivering material aid, closely collaborating with other relevant stakeholders**; it can be justified to assign them the role of **relying on their experience and professional judgment in targeting aid**. The recommendation is however **to dedicate additional efforts prior to drafting of the first round of calls for proposals to further analyze this issue of defining programme's end recipients**. This is especially highlighted in light of the fact that even if the currently selected mechanism for partner organisations to perform the task of selecting end recipient, the national authorities have to have internal criteria based on which they would approve or argue against partnership organisations' proposals.

Having said this, **the relevant ministries are advised to consider all inputs received in regard to defining suitable target groups under this programme during the consultation process, as well as to relate them very specifically to the current legal and strategic framework**, taking into account above-mentioned evaluators' remarks on the initially proposed criterion. Furthermore, it is also advised **to consult the other MS on their solutions, primarily the ones which do not have existing national programmes of the scale of this OP, but were rather in the same situation as Croatia of developing new principles and procedures to implement this programme**. The Commission services are also invited to

further assist Croatia in decision to which level it is acceptable to leave the selected partnership organisations the right for discretion in targeting aid under this programme.

The first draft of the ex-ante evaluation has also paid attention to the issue of sustainability of aid and its long terms effects. In particular, Croatian national legislation recognizes **the risk of causing potential passivity in the process of social integration**, limiting for instance the benefit **guaranteed minimum benefit** up to two years and constantly initiating the process of work activation among work-capable individuals. The difference to the type of aid delivered through this programme is that this **guaranteed minimum benefit** represents a financial instrument. Nonetheless, **the issue of balancing modes of aid and preventing in turn inactivity of targeted individuals is a question of interest, especially later in assessing the effects of the entire programme.** Although it is agreed with the relevant ministries that this type of formal limitation would not be appropriate at the level of the OP, **the recommendation is to communicate this concern with the selected partner organisations, in order to direct them to pay attention to this aspect in targeting aid on the ground.**

In line with the final point, in terms of **coherence with other existing modes of material aid**, including humanitarian donations, and support provided by municipalities and cities, or counties, the initial ex-ante evaluation findings have recommended **to formulate a general rule of limited cumulative aid to be received**, in order to increase the overall scope of the action and **to support the rule of avoiding dependence on aid and lack of personal efforts in improving one's living standard.** This recommendation has been acknowledged and accepted on the level of general principle in this respective OP, which should help to govern the partnership organisations in the process of delivering aid under this programme.

(c) Analysis of the consistency of the allocation of budgetary resources with the objectives of the operational programme

As proposed by the Regulation, the current draft has formulated the financial plan and annual breakdown of commitment appropriation. Based on the recommendation of this ex-ante evaluation, the **current annual breakdown has been significantly modified in order to fully support the objectives of the OP and avoid any potential implementation failures.**

The initially proposed annual breakdown suggested significant differences throughout the budget period. Differences were almost five times between year 1 (2015) and year 3 (2017). The rationale behind smaller initial annual amount, then the highest amount in the middle of the budget period, and again decreased amount at the end of budget period related to

anticipated risk of initiating a new implementation model. This concern was surely grounded as Croatia does not have experience in implementing a model of a country-wide public material aid scheme and did not have any related programmes in the pre-accession period.

Nonetheless, the evaluators have expressed their concern that **originally proposed unequal annual breakdown can later cause unwanted effects during implementation**. In particular, the concerns related to **the process of capacity building of partnership organisations**. In order to be able to effectively and efficiently manage this programme, these organisations would need to develop and/or increase some resources (in terms of financial management and public procurement, logistics, delivery, etc.). In the conditions of irregular flow of available funds, these organisations may face uncertainty and fluctuation in human and other resources. The second concern related to the programme's end recipients **who represent a rather stable group**, where individuals would probably often receive aid longer than one year, meaning **unequal annual budget can potentially cause implementation failures and lack of funds during some periods**.

The recommendation of this ex-ante evaluation has been accepted and the current proposal represents a more balanced annual financial breakdown. The first two years represent gradual increase in available funds, with fully equal amounts in the subsequent years until the end of the budget period. In this way, **the final proposed budget managed to incorporate two timely anticipated implementation risks** – the fact that this programme represents a new type of public action, with various supporting elements still to be gradually developed and fully established, as well as **to ensure continuity and predictability among the selected partnership organisations agents and programmes' end recipients**.

In terms of **budget allocation between the two groups of proposed material assistance**, - (1) food and (2) hygiene goods, school material and other goods - the allocation in favour of food distribution is appropriate given the fact it represents the most basic human need. In line with that, **accompanying measures have been allocated around 1/20 of the budget** which can also be assessed as appropriate.

(e) Analysis of the involvement of relevant stakeholders

The process of involvement of relevant stakeholders has been **timely acknowledged and managed by good practice in this type of structured interaction**. However, future areas of needed consultations and measures for increased transparency of this process are identified.

Until this point, the programming process included **two cycles of different types of public consultations. The first ones were held on March 26, 2014**, organized jointly by Ministry of Labour and Pension System and Ministry of Social Policy and Youth. They were **intended for institutions and organisations active in humanitarian aid**. From the institutional actors, these included the representative of other relevant ministries (Ministry of science, education and sport and Ministry of Foreign and European Affairs), Government Office for cooperation with NGOs and Zagreb City office for social protection and people with disabilities; then the largest humanitarian organisations operating in Croatia (including Red Cross and Caritas), as well as number of other relevant nongovernmental civil and religious organisations previously active in humanitarian sector. The **agenda included** collecting of proposals in regard to defining appropriate target groups, selection of the type of needed material aid and role of partner organisation, as the key actors in future implementation.

The officials responsible for drafting of the OP have **made public the key conclusions from this consultative meeting on the web site of the Ministry of Social Policy and Youth**. Combined with the insight into minutes from this meeting, although it is evident this issue was part of the agenda, the evaluators are of the opinion that **additional space has to be given in anticipating potential risks in managing implementation of the OP through partnership organisations**. Some of these potential partnership organisations have already well-developed resources of different types in order to deliver complex operations. Nonetheless, as until now Croatia did not have a programme of this scale funded through public funds, and these organisations have primarily been funded through donations, **additional space in the following period has to be given to the issues of capacity building in order to anticipate and timely deal with any potential implementation risk**. Based on this recommendation, **this risk is fully acknowledged, and the final draft of the OP has stated it would further analyze received data on the current capacities of the partner organisations and plan accordingly follow-up capacity building activities**.

Following this closed public participation, **from April 3 to April 15, 2012, broader, online consultations** have been opened in order to gather additional relevant inputs from a wider spectrum of stakeholders. The officials responsible for drafting of this OP have **prepared a form to better structure respondents' inputs**, focusing on the main issues of concern – proposed target groups and criteria for their selection, types of aid, ways to reach to target population, as well as the space for some additional comments. The inputs received **have been consolidated, although at this point not made public. The recommendation is to provide their summary on the same web-site in order to provide continuity of the**

consultative process. This is especially important for the last planned step which would provide the opportunity for a wide public discussion on the final draft.

4.2. Prospects for effectiveness

(d) Analysis of the contribution of the expected outputs to the results and thus to the objectives of the Fund

To a degree, **the analysis of all the other evaluation questions suits as a way of assessing the potential for contribution of expected outputs to the results and thus to the objectives of the Fund.** In contrast to the OP II, **the template for the OP I did not ask from the MS to elaborate on the expected results, corresponding outputs and results indicators, nor the analysis of the scope of the action.** Having this in mind, some general conclusions in regard to prospect for the overall effectiveness can be summarized as follows:

- Given the presented scale of needs among the most deprived persons in Croatia, this programme has a capacity to represent **a significant added value to the existing national, local and humanitarian efforts.** Looking solely on data on the value of aid distributed through humanitarian aid in period 2011-2013 in Croatia presented in the OP, it can be concluded that the budget allocated through this Fund in three years time is almost the same to the humanitarian aid collected for the same duration. In other words, with this Fund, Croatia would now have on disposal almost a double budget for humanitarian aid to be distributed to its citizens.
- **Croatian OP has paid attention to national circumstances in order to consequently reach increased effectiveness of the programme. Focusing solely on the OP I and prioritizing among proposed types of material aid,** the respective OP is surely facilitating more focused achievements of the objectives of the Fund, avoiding any duplications of efforts with the ESF.
- The recommendations put forward in regard **to further clarification of some proposed target groups among relevant ministries also has a direct capacity for the increased overall focus of the programme,** influencing in that way its future results.
- **Fully restructured annual budget breakdown based on the ex-ante recommendations should ensure more continuity and predictability among the**

selected partnership organisations agents and programmes' end recipients, surely in turn increasing the capacity for the overall programme's effectiveness.

4.3. Prospects for efficiency

(f) Analysis of the suitability of the procedures for monitoring the operational programme and for collecting the data necessary to carry out evaluations

In accordance with Article 62 of Regulation (EU) No 223/2014, Commission has drafted **Delegated Regulation (EU) No .../...** of 13 March 2014 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived. This document is a **prime source of information on the content of the annual and final implementation reports, as well as on indicators to be monitored by the MS**. In the Annex to the Delegated Regulation, the full list of these common indicators for each of the OPs (OP I and OP II) is determined, which should ensure monitoring the progress of implementation of the OP with a view to allow a proper assessment of their contribution to those objectives, including the ones in the context of Europe 2020 Strategy.

With this act, the monitoring process is **fully predefined**, and national authorities have to follow agreed procedures. It is postulated that **the values for these indicators shall be determined based on the informed estimation of the partner organisations**, and it is neither expected nor required that they are based on information provided by end recipients. For the purpose of developing more efficient OP monitoring system, it is envisaged that the MA will organise meetings with partner organisations twice a year. This opportunity should be used for **partnership organisations to get introduced to the proposed system of monitoring in order to synchronize their approach with their previous monitoring practices**.

In terms of **institutional responsibilities**, the current draft of the OP **has to extend on the section of institutional set-up**, which at this point only names the institutions in the overall institutional structure. The regulation in this regard has to be enacted in the following period, which would only then make the current draft complete. What is however defined at this point is that the institutions responsible for implementing of the ESF are the same for this Fund, reassuring in this way their mutual coherence.



5. The key improvement of the OP based on the ex-ante findings and further considerations and recommendations

In this final chapter, we outline the improvements of the final draft to this point, based on the findings of the ex-ante evaluation and consultations with the representatives responsible for drafting of the respective OP, which have surely improved the overall programme's coherence, transparency and clarity. There are several more identified recommendations and opened issues of this OP, which should be considered in the period prior to drafting of the first round of calls for proposals. Both acknowledged changes and further recommendations, analyzed throughout the report, can be summarized here as follows:

In regard to more explicit national contextualization of selected types of material aid

- ✓ Decision to exclude clothing and footwear from the list of potential material aid represents one clear point of programme national contextualization. This decision is based on experience of the existing humanitarian aid which indicates this specific type of material aid is more accessible and available in Croatia, being thus less needed in comparison to others. The September draft of the respective OP has acknowledged recommendation to expand the section about the types of material aid to be provided under respective OP, by elaborating in brief the reasons behind this decision.

In regard to defining the most deprived persons

- ✓ Given Croatian national context, where until this point humanitarian organisations were the prime agents in delivering material aid, it can be justified to assign them the role of targeting aid, based on their experience and professional judgment. The recommendation is however to dedicate additional efforts prior to drafting of the first round of calls for proposals to further analyze this issue of defining programme's end recipients. This is especially highlighted in light of the fact that even if the currently selected mechanism for partner organisations to perform the task of selecting end recipients, the national authorities have to have clear internal criteria based on which they would approve or argue against partnership organisations' proposals.
- ✓ In line with this, the relevant ministries are advised to consider all inputs received in regard to defining suitable target groups under this programme during the

consultation process, as well as to relate them very specifically to the current legal and strategic framework, taking also into account evaluators' remarks on the initially proposed criterion in the previous drafts of the OP.

- ✓ Furthermore, it is also advised to consult the other MS on their solutions, primarily the ones which do not have existing national programmes of the scale of this OP, but were rather in the same situation as Croatia of developing new principles and procedures to implement this type of programme. The Commission services are also invited to further assist Croatia in decision to which level it is acceptable to leave the selected partnership organisations the right for discretion in targeting aid under this programme.
- ✓ The first draft of the ex-ante evaluation has also paid attention to the issue of sustainability of aid and its long terms effects. In particular, Croatian national legislation recognizes the risk of causing potential passivity in the process of social integration, limiting for instance the benefit guaranteed minimum benefit up to two years and constantly initiating the process of work activation among work-capable individuals. The difference to the type of aid delivered through this programme is that this guaranteed minimum benefit represents a financial instrument. Nonetheless, the issue of balancing modes of aid and preventing in turn inactivity of targeted individuals is a question of interest, especially later in assessing the effects of the entire programme. Although it is agreed with the relevant ministries that this type of formal limitation would not be appropriate at the level of the OP, the recommendation is to communicate this concern with the selected partner organisations, in order to direct them to pay attention to this aspect in targeting aid on the ground.
- ✓ In line with the final point, in terms of coherence with other existing modes of material aid, including humanitarian donations, and support provided by municipalities and cities, or counties, the initial draft of the ex-ante evaluation has recommended to formulate a general rule of limited cumulative aid to be received, in order to increase the overall scope of the action and to support the rule of avoiding dependence on aid and lack of personal efforts in improving one's living standard. This recommendation has been acknowledged and accepted on the level of general principle in this respective OP, which should help to govern the partnership organisations in the process of delivering aid under this programme.

In regard to proposed annual budget allocations

- ✓ The recommendation of this ex-ante evaluation has been accepted and the current proposal represents a more balanced annual financial breakdown. The first two years represent gradual increase in available funds, with fully equal amounts in the subsequent years until the end of the budget period. In this way, the final proposed budget managed to incorporate two timely anticipated implementation risks – the fact that this programme represents a new type of public action, with various supporting elements still to be gradually developed and fully established, as well as to ensure continuity and predictability among the selected partnership organisations agents and programmes' end recipients.

In regard to partnership consultations

- ✓ Following closed public participation, from April 3 to April 15, 2012, broader, online consultations have been opened in order to gather additional relevant inputs from a wider spectrum of stakeholders. The inputs received have been consolidated, although at this point not made public. The recommendation is to provide their summary on the same web-site in order to provide continuity of the consultative process. This is especially important for the last planned step which would provide the opportunity for a broad public discussion on the final draft.
- ✓ Although part of the consultation agenda, the evaluators are of the opinion that additional space has to be given in anticipating potential risks in managing implementation of the OP through partnership organisations. Some of these potential partnership organisations have already well-developed resources of different types in order to deliver complex operations. Nonetheless, as until now Croatia did not have a programme of this scale funded through public funds, and these organisations have primarily been funded through donations, additional space in the following period has to be given to the issues of capacity building in order to anticipate and timely deal with any potential implementation risk. Based on this recommendation, this risk was more explicitly acknowledged, and the final draft of the OP has stated it would further analyze received data on the current capacities of the partner organisations and plan accordingly follow-up capacity building activities.

In regard to monitoring procedure and institutional set-up

- ✓ According to the respective delegated act, the monitoring process is fully predefined, and national authorities have to follow agreed procedures. It is postulated that the values for these indicators shall be determined based on the informed estimation of the partner organisations, and it is neither expected nor required that they are based on information provided by end recipients. For the purpose of developing more efficient OP monitoring system, it is envisaged that the Managing Authority will organise meetings with partner organisations twice a year. This opportunity should be used for partnership organisations to get introduced to the proposed system of monitoring in order to synchronize their approach with their previous monitoring practices.

In terms of institutional responsibilities, the current draft of the OP has to extend on the section of institutional set-up, which at this point only names the institution in the institutional structure. This has to be enacted in the following period, which would make the current draft complete. What is however defined at this point is that the institutions responsible for implementing of the ESF are the same for this Fund, reassuring in this way their mutual coherence.

Appendix I: Respondents lists

The evaluators have conducted a **semi-structured group interview** with the representatives of the Ministry of Labour and Pension System and Ministry of Social Policy and Youth, who were primarily responsible for drafting of the respective OP. In order to obtain further clarifications in regard to certain issues and identified additional documents needed, the evaluators have also **continued correspondence via electronic mail and over telephone**.

Date and time of interview: August 12, 2014

Place: Ministry of Labour and Pension System, Petračićeva 4, 10 000 Zagreb

Respondent	Institution	Department
Balenović Mila	MSPY	Department for EU funds programme preparation
Bokulić Natalija	MSPY	Department for EU funds programme monitoring
Klofutar Ana	MSPY	Department for EU funds programme preparation
Volf Nikolina	MLPS	Department for Monitoring and Evaluation

Appendix II: Documents consulted

1. Annex to Commission Delegated Regulation (EU) No .../... of 13 March 2014 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived
2. Croatia's Operative Programme for food and/or the basic material assistance (July, August and September draft)
3. Commission Delegated Regulation (EU) No .../... 2014 of 13 March 2014 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived
4. Commission Implementing Decision of 3 April 2014 setting out the annual breakdown by Member State of global resources for the European Regional Development Fund, the European Social Fund and the Cohesion Fund under the Investment for growth and jobs goal and the European territorial cooperation goal, the annual breakdown by Member State of resources from the specific allocation for the Youth Employment Initiative together with the list of eligible regions, and the amounts to be transferred from each Member State's Cohesion Fund and Structural Funds allocations to the Connecting Europe Facility and to aid for the most deprived for the period 2014-2020 (notified under document number C(2014) 2082)
5. European Commission's Guidance document on ex-ante evaluation for the Programming Period 2014-2020
6. EUROPE 2020: A strategy for smart, sustainable and inclusive growth COM(2010) 2020
7. Ex-ante evaluation of programming documents and strengthening evaluation capacity for EU funds post-accession - SF OP HUMAN RESOURCES DEVELOPMENT 2007-2013
8. Ex ante evaluation of 2014-2020 Common Strategic Framework Funds OP Efficient Human Resources: Final Report (Draft)
9. Humanitarian Aid Act (OG 128/10)
10. Operational Programme 'Efficient Human Resources' 2014-2020 (draft)

11. Operational Programme 'Human resources development' European Social Fund 2007-2013
12. Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived
13. Sectoral annual implementation report for the year 2012 – Operational programme Human resources development
14. Sectoral annual implementation report for the year 2013 – Operational programme Human resources development
15. Social Welfare Act (OG 157/13)
16. Strategy for Combating Poverty and Social Exclusion 2014-2020