

**The European Union's CARDS Programme for
Croatia**

Improving Information to the Croatian Business Community

EuropeAid/121473/C/SV/HR

Progress Report 1

31 March 2008



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GLOSSARY OF ACRONYMS

Acquis	Acquis Communautaire
AA	Altair Asesores S.L.
ABINS	“After” BINS (Business Information Needs Survey) – follow-up survey
BBINS	“Before” BINS (Business Information Needs Survey) – baseline survey
BINS	Business Information Needs Survey
BIZimpact	Improving Information to the Croatian Business Community, EU CARDS 2004
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CC	Candidate Country
CFCA	Central Finance and Contracting Agency (formerly Central Finance and Contracting Unit)
DTL	Deputy Team Leader
EC	European Commission
ECD	European Commission Delegation
EIA	Economic Impact Assessment
EICC	Euro Information Correspondence Centre
EIR	EIR Development Partners
EU	European Union
EUR	Euro
FAQ	Frequently Asked Questions
GDP	Gross Domestic Product
GoC	Government of Croatia
HAMAG	Croatian Agency for SMEs (Hrvatska agencija za malo gospodarstvo)
HGK	Croatian Chamber of Economy (Hrvatska gospodarska komora)
HITROREZ	Croatian Regulatory Guillotine
HOK	Croatian Chamber of Trades and Crafts (Hrvatska obrtnička komora)
HQ	Headquarters
HUP	Croatian Employers’ Association (Hrvatska udruga poslodavaca)
IA	Impact Assessment
IPA	Instrument for Pre-accession Assistance
KE	Key Expert
LIA	Legislative Impact Assessment
LTE	Long-Term Expert
MAFRD	Ministry of Agriculture, Fisheries and Rural Development
MEPPPC	Ministry of Environmental Protection, Physical Planning and Construction
MINGORP	Ministry of Economy, Labour and Entrepreneurship
MRA	Market Research Agency
OECD	Organisation for Economic Cooperation and Development
PCA	POHL CONSULTING & ASSOCIATES
PPD	Public-Private Dialogue
PSC	Project Steering Committee
RDA	Regional Development Agency
RIA	Regulatory Impact Analysis
ROP	Regional Operational Programme
SAA	Stabilisation and Association Agreement
SDURF	Central Office for Development Strategy and Coordination of EU Funds (also known as CODEF)
SEE	South-East Europe / Balkans (used interchangeably)
SIPO	State Intellectual Property Office
SME	Small and Medium-sized Enterprises
SMEPED	SME Policy Enhancement and Delivery, EU PHARE 2005
STE	Short-Term Expert
TL	Team Leader
ToR	Terms of Reference
TTT	Train the Trainers
USAID	United States Agency for International Development
UK	United Kingdom
UNDP	United Nations Development Programme
UPUP	RIA Coordination Office (Ured za procjenu učinka propisa)

PROJECT SYNOPSIS

1. Project Title:	BIZimpact - Improving Information to the Croatian Business Community
2. Project Starting Date:	17 September 2007
3. Project End Date	16 September 2009
4. Project Duration:	24 months
5. Contract Number:	EuropeAid/121473/C/SV/HR
6. Country:	Croatia

Overall Objective

The overall objective of the Project is to improve the business environment in Croatia.

Project Purpose

The purpose of this contract is to strengthen the capacity for policy makers and business organisations to identify, analyse and communicate future impact of key regulatory areas for business in Croatia and to improve the awareness of the business community regarding eight legislative areas.

Results to be Achieved

The key results to be achieved are:

- The capacity for policy makers and business organisations to identify, analyse and communicate future impact of key regulatory areas for business in Croatia strengthened.
- Awareness of the business community in the eight key legislative fields improved.
- Measurable changes in quality of information and public-private communication achieved.

EXECUTIVE SUMMARY

Scope of the Project and Objectives

The BIZimpact Project concentrates its activities on small and medium-sized enterprises (SMEs) and small crafts and covers legislative changes in eight key areas, namely:

- Consumer protection.
- Environmental protection.
- Standards for agricultural products.
- Standards for industrial products.
- Public procurement.
- State aid.
- Competition policy.
- Intellectual property rights.

The beneficiaries of the Project are:

- Ministry of Economy, Labour and Entrepreneurship (MINGORP).
- Croatian Agency for SMEs (HAMAG).
- Croatian Chamber of Commerce (HGK).
- Croatian Chamber of Trades and Crafts (HOK).
- Croatian Employers' Association (HUP).

In addition, the BIZimpact Project works with other relevant organisations involved in supporting SME development, not least the other governmental ministries / agencies connected with the above eight fields of legislation, the counties, regional development agencies, business development service providers, as well as donor-funded projects and international organisations active in related fields.

The BIZimpact Project is based upon four activities with the overall objective of improving information, communication and Impact Assessment in Croatia.

Activity 1 involves initial training in the eight legislative fields and is designed to strengthen the capacity of partner institutions and enable them to play a more pro-active role in identifying the legislative changes impacting on businesses, so that information flows can be improved.

Activity 2 focuses on "Training the Trainers" in legislative Impact Assessment. This activity will lead to the preparation of a manual on Impact Assessment, "Training of Trainers" in Impact Assessment, visits to two EU countries to study their Impact Assessment methodologies and carrying out a minimum of five "live" Impact Assessments for the business sectors most affected by the previously mentioned legislative areas.

Activity 3 will focus on carrying out a large-scale panel survey covering a sample of some 2,000 firms. The baseline or "Before" Business Information Needs Survey (BINS) will identify the information sources, needs and gaps experienced by small businesses in Croatia in relation to the eight legislative fields covered by the BIZimpact Project. It will also develop policy recommendations for improving information, communication and consultation between Government, business associations and small businesses. The "After" BINS will be conducted towards the end of the BIZimpact Project to assess the extent to which small enterprises' information needs are being met in Croatia.

In **Activity 4**, the Consultant will focus on developing more effective communication with the Croatian business community through a range of activities designed to improve the flow of information to businesses, based on the information needs identified in the "Before" BINS. Specific activities will include: organising an awareness-raising campaign, a series of visibility events and information days throughout Croatia, stimulating dialogue, producing publications, CDs, website, answers to Frequently Asked Questions (FAQs), Mini Guides for the eight legislative areas and training for information officers.

Project Implementation during the Reporting Period

The Project officially started on 17 September 2007 when the Consultant commenced work. The 1st Progress Report, therefore, covers the period up to 31 March 2008, including the Inception Period in the first two months of the Project. The main issues that can be reported are the following:

Significant progress has been made in implementing the BIZImpact Project. The main elements of progress can be summarised according to the 4 activities of the Project:

Activity 1: Initial Training in the Eight Legislative Fields

This activity has required very significant organisation and coordination, since it has involved eight events over an eight-week period. This required coordinating with the 5 beneficiaries in terms of ensuring that there were participants for the training, commissioning STEs to do part of the work (4 out of eight training sessions and mini guides), as well as liaising with state bodies who undertook to prepare the training and mini guides in the fields that they are responsible for. In addition, the BIZImpact Project had to ensure that relevant stakeholders in each of the eight fields of activity attended the training and made presentations at the events. Overall, the training seminars achieved a very good turnout involving not only beneficiaries based in Zagreb, but also from many of the counties.

The main progress made includes:

- A plan for better Project positioning has been prepared.
- A training plan has been prepared.
- One international and four national STEs have been commissioned.
- Four state bodies have delivered the rest of the training programme.
- All eight training sessions have been delivered
- 34 representatives from 27 state bodies and public institutions have participated in the training events.
- In all, some 240 people have participated in the training events.
- All presentations are available on the Project website www.bizimpact.hr
- Six out of the seven Mini Guides are available in draft form (competition policy and state aid have been combined in one guide). The seventh (public procurement will be available in April-May 2008).
- The EU Info Centre's visibility has been raised as a result of the series of eight training events.

All the work anticipated in the Inception Report for Activity 1 has been implemented. The next stage of the activities involves finalising the draft Mini Guides before the end of the Project by:

- Writing a foreword by MINGORP.
- Editing for readability.
- Putting into consistent DTP format.
- Incorporating the Impact Assessment case studies (where relevant).
- Incorporating the FAQs.
- Publication and dissemination.

The draft Mini Guides will be circulated at the forthcoming Šibenik SME Conference (29-31 May 2008) and will be available for dissemination through the Project website and beneficiary networks. The final Mini Guides will be published in the 4th reporting period.

Activity 2: Impact Assessment Methodology and Train the Trainers

The Inception Report foresaw some preliminary work in relation to Impact Assessment. This has been implemented according to expectations and, indeed, involved more work than originally anticipated.

The main progress made includes:

- Commissioning of Profs. Colin Kirkpatrick and Clive George, Manchester University, to lead the one-day IA workshop, prepare the draft IA Manual, conduct the IA one-week Training of Trainers and assist in the revision of the IA Manual once the IA case studies have been completed.
- Date agreed for IA one-day workshop: 15 April 2008, HOK HQ.
- Date for draft IA Manual: early June 2008.
- Dates agreed for IA TTT: 9-13 June 2008, HGK HQ.
- First Study Tour: 15-19 September 2008.
- Second Study Tour: planned for November 2008.
- IA case studies: starting in September 2008 and ending in summer 2009.
- Identifying most of the participants from the beneficiaries (pending creation of MINGORP IA Unit).
- Letter of commitment from business associations regarding participation in the IA capacity building, Study Tours, case studies and cascading IA knowledge within their own organisations.

More of the preliminary work has been completed in the 1st Reporting Period than had been anticipated in the Inception Report. The BIZimpact Project is, therefore, well placed to proceed with implementation of Activity 2 during the remaining Reporting Periods.

Activity 3: Business Information Needs Survey (BINS)

Likewise, all the activities foreseen for the 1st Reporting Period have been completed as anticipated even though it has involved significant effort on the part of the BIZimpact Project team to liaise and coordinate with the five beneficiaries and the eight sets of stakeholders, as well as Puls, the Market Research Agency that has been commissioned to undertake the “Before” BINS (BBINS) and “After” BINS (ABINS).

The main progress made includes:

- Recruitment of Puls as the Market Research Agency responsible for the BINS after a transparent and accountable tendering process.
- Finalisation and agreement of the BINS methodology with the beneficiaries and Puls.
- Extensive publicity campaign to maximise response rates to the survey, coordinated with MINGORP, HAMAG, HGK, HOK and HUP.
- Finalisation of BBINS questionnaire following a detailed process involving all the beneficiaries as well as the eight sets of stakeholders.
- Quality control of BBINS, including participation in piloting process, focus groups, etc.

The above represents the main output anticipated in the Inception Report. The BBINS Report will be available during the 2nd Reporting Period and the detailed process of awareness-raising, including presentation of the BINS results at six regional events (one more than originally anticipated) throughout Croatia and preparation of the communications strategy (see below) on the basis of the results.

Activity 4: Information to the Croatian Business Community

Since development of a detailed communications strategy and plan depends on the results of the “Before” BINS, most aspects of this activity can only start in the 2nd Reporting Period. However, initial research and preparations for development of the strategy have taken place and plans for providing communications training to the beneficiaries have been developed.

The main progress made includes:

- Identification of suitable communications counterparts in most beneficiaries.
- Initial assessment of their existing and planned communications activities and capabilities and those of important stakeholders in the eight fields.
- Questions to identify information needs and appropriate communications tools developed and included in “Before” BINS.
- Draft programme for communications training of beneficiaries at national and county level developed.
- Visits to six counties (Varaždin, Osijek, Karlovac, Slavonski Brod, Split and Rijeka) in order to meet with the county level structures that are likely to host the five regional BINS, training, etc. events.

1 IMPLEMENTATION FRAMEWORK

1.1 Institutional Set-up and Overall Project Organisation

The BIZimpact Project has five **beneficiary institutions**, as highlighted below.

The **Ministry of Economy, Labour and Entrepreneurship (MINGORP)** and, in particular, the Entrepreneurship Directorate at MINGORP represents a key pillar of the business institutional framework. It is responsible for developing and implementing SME policy through the Government Development Programme for Small Entrepreneurship (2004-2008), which is in the process of being revised. The Entrepreneurship Directorate is currently undergoing a process of functional review which is expected to result in a more streamlined structure for enterprise support. It is not clear what the implications will be for the future management of the BIZimpact Project. A notable feature of the new institutional structure of MINGORP is that an Impact Assessment Unit is expected to be created as part of the Minister's Cabinet. This is a positive development as far as the BIZimpact is concerned as it will result in a clear focus for the capacity building activities. It is expected that the Impact Assessment Unit will have 6-7 staff members, but is not clear when these will be recruited in 2008.

Croatian Agency for SMEs (HAMAG): promotes the development of small businesses and seeks to enhance their role in the economy by creating a stimulating environment, developing support infrastructure at the state, regional and local levels, providing financial incentives, implementing and developing technologies, upgrading quality, strengthening competitiveness, securing market access and generating employment through cooperation and networking of SME entrepreneurs, institutions and support infrastructure. HAMAG has 27 staff, 10 of which are in the Guarantee Division and a further 10 in the Entrepreneurship Division, with the remainder allocated to EU projects and management. It is currently undergoing a process of reorientation, including absorbing responsibility for implementing many of the SME programmes of support which are currently the responsibility of MINGORP and developing a stronger focus on SME development, rather than finance.

Croatian Chamber of Economy (HGK) is an independent business organisation established in 1852 based on the "continental" model of compulsory membership, which means that all companies registered with the Commercial Court are automatically members of HGK. HGK is headquartered in Zagreb and has 20 county chambers. HGK has eight departments dealing with various branches of the economy and includes 40 professional associations. HGK has five business centres, including the Euro Info Correspondence Centre Zagreb (EICC Zagreb) which supports Croatian companies to overcome the barriers on the road to EU integration by informing, assisting and advising companies on European issues. EIC Relay Centres have also been established in Osijek, Pula, Rijeka and Split since 2005. HGK employs 650 people, including 200 in HQ.

Croatian Chamber of Trades and Crafts (HOK): There are about 105,000 registered crafts in Croatia, mainly in the services and production economic sectors. All crafts are automatically members of the business association. HOK has some 150 staff members, ca. 50 of which are based in Zagreb. There are a network of 20 county offices and a representative office in Brussels.

Croatian Employers' Association (HUP) is an independent, voluntary association of private entrepreneurs and employers founded in 1993. It aims to improve the entrepreneurial and investment climate in order to strengthen Croatia's competitiveness, working with trade unions and the Government of Croatia. HUP has 23 sectoral associations and regional offices in Split, Osijek and Rijeka to support members at the local level. HUP employs 35 people and has 6,000 members. Meetings confirm the need for legislative Impact Assessment, consultation and communication / dissemination of information to its members.

Since the BIZimpact Project covers eight legislative fields, there are various **stakeholder institutions**, including the following:

- Consumer protection: MINGORP (Consumer Protection Department).
- Environmental protection: Ministry of Environmental Protection, Physical Planning and Construction (MEPPPC).
- Standards for agricultural products: Ministry of Agriculture, Fisheries and Rural Development (MAFRD) and Croatian Standards Institute.
- Standards for industrial products: MINGORP and Croatian Standards Institute.
- Public procurement: Public Procurement Office (note: it is currently proposed that the Public Procurement Office be subsumed within MINGORP).

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- State aid / Competition policy: Croatian Competition Agency.
- Intellectual property rights: State Intellectual Property Office (SIPO – note: it is currently proposed that the State Intellectual Property Office be subsumed within MINGORP).

It should be noted that the Government is currently implementing an extensive administrative review which is likely to result in significant changes to the above stakeholder institutions. For example, SIPO and the Public Procurement Office are likely to be absorbed within MINGORP. Other changes are expected, though these have not yet been officially announced.

Strategic coordination and direction will be provided by the **Project Steering Committee (PSC)**, which meets every **six months** and comprises the following:

- Central Finance and Coordination Agency (CFCA).
- European Commission Delegation (ECD).
- Central Office for Development Strategy and Coordination of EU Funds (SDURF).
- Ministry of Economy, Labour and Entrepreneurship (MINGORP).
- Croatian Agency for SMEs (HAMAG).
- Croatian Chamber of Economy (HGK).
- Croatian Chamber of Trades and Crafts (HOK).
- Croatian Employers' Association (HUP).
- Consultant (Pohl Consulting and Associates).

1.2 Staff and Qualifications

The key people involved in the BIZImpact Project are highlighted below:

- MINGORP: Ms Jasminka Keser, Project Manager for the main beneficiary.
- HAMAG: Ms Katarina Marković.
- HGK: Ms Vesna Torbarina.
- HGK: Mr Natko Vlahović.
- HUP: Ms Andrea Dokić.
- CFCA: Ms Danijela Miković.

The Consultant is a Consortium comprising Pohl Consulting and Associates (lead company, Germany), EIR Development Partners (Greece) and Altair Asesores (Spain).

- Project Director: Mr Labinot Carreti, PCA.
- Key Expert 1: Dr Ricardo Pinto, Team Leader.
- Key Expert 2: Mr Chris McLean, Deputy Team Leader and Awareness-raising Expert.
- Project Staff 1: Mr Damir Azenić, Administrative, bookkeeping and IT.
- Project Staff 2: Ms Ana Ilijić, Communication/PR and interpretation/translation.

460 days of Short-Term Expert (STE) input is planned, following approval by MINGORP and CFCA. The Project Office is located in the premises of MINGORP in Zagreb.

1.3 Monitoring and Coordination Arrangements

PCA leads the Project management and coordination of the Project on behalf of the Consortium. The coordination activities will be supported by in-country experts and will comprise of the provision of administrative support in-country; technical and logistical support; monitoring of management and administrative systems, management of the Incidental Budget expenditure; and providing other assistance to the Project such as organisation of Study Tours and capacity building.

PCA, in coordination with the Team Leader, other Key Expert, local and international Short Term and Long Term Experts, is responsible for providing monthly, six-monthly activity and Progress Reports, as well as the Final Report to the Project Steering Committee, which will supervise the Project implementation.

In addition to the PSC, monitoring and coordination meetings are held regularly with the lead beneficiary (MINGORP) as well as all beneficiaries (MINGORP, HAMAG, HGK, HOK and HUP) to discuss specific as well as overall Project activities.

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A few projects financed by the EU deal directly or indirectly with business information / communication / Impact Assessment issues in Croatia. The team holds meetings with such groups, as relevant in order to understand the latest developments in the field, to exchange experiences and know-how with other project leaders and project beneficiaries and to develop linkages with those projects where appropriate. The relevant projects are:

- **SME Policy Enhancement and Delivery, EU PHARE 2005 (SMEPED):** This project is preparing MINGORP and HAMAG for accession to the EU by ensuring that they are able to implement the Enterprise and Industrial Chapter of the *Acquis Communautaire* and the EU Charter for Small Enterprises, to which Croatia is a signatory. It touches upon two aspects of importance to the BIZimpact Project, namely: the development of a mechanism for public-private dialogue for the SME sector (BIZimpact has assisted SMEPED with relevant materials from other countries), as well as a small amount of capacity building for RIA purposes (meetings were held to coordinate activities). Meetings are planned to ensure coordination of meetings, workshops and conferences so as not to overload the Entrepreneurship Department, MINGORP.
- **Strengthening of Capacity to Manage and Enforce the EU Competition and State Aid Policies, Croatian Competition Agency, EU Twinning / Further Capacity Building in the Area of Consumer Protection, MINGORP, EU Twinning:** The above projects deal with specific aspects of the *Acquis Communautaire*, including some elements of information provision and awareness-raising for the business community with respect to consumer protection and state aid / competition policy. Meetings have been held (e.g. in relation to the training and communication with enterprises) in order to coordinate activities.
- **Development of Regulatory Impact Assessment, Twinning IPA 2007, EU:** this project will assist the introduction of the RIA methodology as part of the national policy making strategy, thus enabling system level RIA-based policy making through the development and implementation of a web-based e-RIA platform. It also includes capacity building for the RIA Coordination Office, regulatory institutions and stakeholders, as well as raising awareness of the wider public and private sector about the introduction of the RIA system. The delivery of the technical assistance associated with this project is expected to start in spring 2009 at the earliest.

2 PROJECT PERFORMANCE AND IMPACT

2.1 Activities Planned and Implemented

As specified in the Inception Report, in the first 2-month period the BIZimpact Project, the activities with the highest priority were those directly relating to the Inception Phase, namely:

- Meet the key relevant beneficiaries, stakeholders and partners.
- Select the Market Research Agency to undertake the BINS.
- Hold the internal visibility event, with a larger event planned for when the results of the Before BINS become available (May 7 2008).
- Prepare the Inception Report by mid-September 2007.
- Hold the Project Steering Committee meeting to approve the Inception Report on 3rd December 2007.

As discussed in the Inception Report, during the first six-month implementation period, activities with the highest priority were started. They relate principally to the Activities 1, 2 and 4.

Activity	Start	Finish	2007				2008	
			Sep	Oct	Nov	Dec	Jan	Feb
Kick off meeting	17-Sep-07		★					
Inception phase	17-Sep-07	17-Nov-07	■	■	■			
1. Initial Training in 8 Legislative Fields	1-Oct-07	31-Mar-08		■	■	■	■	■
2. Impact Assessment (IA) Methodology & TTT	1-Apr-08	15-Feb-09						
3. Business Information Needs Survey (BINS)	17-Nov-07	31-Jul-08			■	■	■	■
4. Information to Business Community	17-Nov-07	31-Aug-09			■	■	■	■
Progress Reports	1-Feb-08	31-Mar-09						■
Project steering committees	1-Dec-07	1-Jul-09				★		
Final Report	15-Jul-09	16-Sep-09						
Completion of project		16-Sep-09						

Based on the above, the following results are expected to be produced by the end of the period:

	Activity	Task	Result to be produced
1	Initial Training in Eight Fields	1.1	Develop a better positioning plan.
		1.2	Develop a training plan.
		1.3	Commission international / local STEs.
		1.4	Prepare training materials / draft Mini Guides.
		1.5	Deliver part of training in the eight fields.
2	Impact Assessment		Prepare of activities for next Reporting Period
3	BINS	3.1	Prepare evaluation report and recruit MRA.
		3.2	Prepare and finalise BINS methodology.
		3.3	Publicise BINS to maximise SME participation.
		3.3	Initiate the "Before" BINS.
4	Information and Communication	4.1	Initial preparation of methodology / information plan
		4.4	Assess training needs and prepare training for information officers
		4.5	Develop evaluation indicators for inclusion in BINS

In fact, more activities were implemented than were planned, as aspects of Activity 3 also had to be initiated which were not foreseen in the Inception Report, as discussed below.

Activity 1 - Initial Training in the Eight Legislative Fields

Specific tasks

Tasks	Description
1.1.	Develop a plan for better Project positioning.
1.2.	Develop a training plan.
1.3.	Commission international / local experts.
1.4.	Prepare training materials / Mini Guides: covering the main characteristics of EU legislation / main changes in Croatian law.
1.5.	Deliver training in the eight fields: to be delivered in Zagreb.

Task 1.1. Develop a Plan for Better Project Positioning

For the Project to be effective in strengthening the institutional set-up of the Project partners, the Consultant prepared a Positioning Plan which identifying the key line ministries, government agencies and other indirect Project partners of relevance to the Project in the eight legislative fields and/or involved in communicating information to the business community. The work involved:

- One-to-one meetings with the beneficiaries to discuss the Project, the organisations' activities relevant to the Project and assess scope for cooperation.
- "Internal" launch on 31 October 2007 (see *Annex 6.1*) for the most important Project partners in order to raise the visibility and awareness of the Project and ensure a clear understanding for ongoing cooperation.
- Six trips to (counties (Varaždin, Osijek, Karlovac, Slavonski Brod, Split and Rijeka) and in order to meet with the county level structures, namely the beneficiaries (HGK, HOK and where relevant, HUP), the county economic offices, the city economic offices as well as a variety of business development service providers (e.g. entrepreneurship / business centres, business incubators, RDAs, enterprise zones, etc.). See *Annex 6.2*.

Based on the information gathered, a Positioning Plan was produced (see *Annex 7 1.1.*). It analyses the existing institutional set-up of public / private sector institutions involved in activities and legislative fields relevant to the Project. It describes how the Project fits into this set-up and how we plan to enhance the communication links between the institutions.

Sub-tasks

- 1.1.1. Organise meetings with key Project partners to assess scope for collaboration. **Completed**
- 1.1.2. Undertake an "internal" launch during Inception Phase. **Completed**
- 1.1.3. Prepare a Positioning Plan and agree it with Project partners. **Completed**

Task 1.2. Develop a Training Plan

In preparing training in the eight legislative fields for the Project partners, the Consultant held discussions with the partners to identify their most pressing training needs in each field and those individuals within each Project partner who will benefit most from receiving such training. Based on these discussions, a Training Plan was developed (see *Annex 7 1.2.*).

Each Project was asked to nominate individuals to participate in the training. Individuals who are directly involved in communicating with SMEs, such as through answering their enquiries, formed the main target group for the training. Additionally, individuals working with specific economic sectors were appropriate participants in training for legislative fields of particular importance to their sector.

Sub-tasks

1.2.1. Identify training needs / appropriate training beneficiaries from Project partners. **Completed**

1.2.2. Prepare Training Plan and agree it with Project partners. **Completed**

Task 1.3. Commission International / National Experts Where Necessary

The eight legislative topics are technical in nature. To ensure that the training materials, draft Mini Guides and delivery of the training are done as effectively as possible, the Project has sought to use a mixture of national and international Short Term Experts (STEs). Since some of the state bodies are best placed to prepare and deliver the training modules, the following were involved:

- Competition Policy and State Aid training: Croatian Competition Agency.
- Public Procurement training: Public Procurement Office.
- Intellectual Property Rights training: State Intellectual Property Office.

However, the preparation of the training and Mini Guides amounts to a significant time investment by state bodies. Where this was not possible, the Consultant commissioned suitably-qualified international and national STEs to prepare the training and/or Mini Guides as follows:

- Consumer Protection: Marko Baretić, Faculty of Law, Zagreb (see *Annex 7 1.3* for ToR).
- Environmental Protection: Sanja Tišma, International Relations Institute (see *Annex 7 1.3* for ToR).
- Standards for Agricultural Products: Lidija Ercegovac, Biotechnicon (see *Annex 7 1.3* for ToR).
- Standards for Industrial Products: Ramon Rovira, Spain (see *Annex 7 1.3* for ToR).

CFCA approval for the following STE is pending:

- Public Procurement Mini Guide: Vesna Lozo, Zagreb (see *Annex 7 1.3* for ToR).

Sub-tasks

1.3.1. Liaise with Project partners to determine willingness to deliver training/guides. **Completed**

1.3.2. Draft ToR for STEs. **Completed**

1.3.3. Obtain approval of CVs from CFCA. **Completed**

1.3.4. Commission and deploy STEs. **Completed**

Task 1.4. Prepare Training Materials / Draft Mini Guides

In addition to preparing and delivering the training modules, Mini Guides were also prepared on the eight legislative themes. The Consultant has liaised closely with the Project partners and stakeholders in the eight legislative fields to ensure ownership, relevance and accuracy of the prepared materials. The focus of the training and draft Mini Guide was on the characteristics of EU and national legislation, from the perspective of small businesses. As foreseen in the Inception Report, although eight training modules were delivered, competition policy and state aid were merged into one Mini Guide at the request of the Croatian Competition Agency. The box below provides an overview of the nature of the training and Mini Guides.

Significant effort has gone in to liaison with key Project beneficiaries and stakeholders in organising the above events:

- Letters from SPO to all stakeholders.
- Meetings with stakeholders.
- Preparation of templates.
- Organisation of venue, catering, interpretation etc.
- Coordination of presentations.

Box 1: Nature of Training and Mini Guides

Training

One day training session on each of the eight topics covered by the BIZImpact Project (namely consumer protection, environmental protection, standards for agricultural / industrial products, public procurement, state aid / competition policy and intellectual property rights).

Mix of international and national Short Term Experts

Participation by the stakeholders (ministries & agencies) in the preparation and delivery

Target group: MINGORP, HAMAG, HGK, HOK and HUP

Policy and legal framework

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10h00 – 12h30

What is e.g. consumer protection?

Key aspects of e.g. consumer protection.

What are the EU Directives of e.g. consumer protection that are relevant?

What is the national legislation/regulations/standards of e.g. consumer protection that is relevant?

12h30 - 13h30 Lunch

Impact on the business sector

13h30 – 15h30

Why is it important for the SME sector to be aware of e.g. consumer protection?

What has already been legislated for / transposed / harmonised?

What are the implications of this for SMEs (are there sectoral implications)?

What is still to be legislated for / transposed / harmonised and when is this likely to happen?

What are the likely implications of this for SMEs (are there sectoral implications)?

What are the main institutions responsible for e.g. consumer protection (Croatia, EU, international)

What are the main sources of information on e.g. consumer protection (Croatia, EU, international)

How can the 5 beneficiaries cooperate more effectively with the e.g. consumer protection stakeholders in order to improve dissemination, communication, feedback, Impact Assessment etc.

Draft Mini Guides (max 10 pages of A4 text plus covers)

Foreword (Ministry, 5 beneficiaries, agency, etc)

Introduction

1. What is e.g. consumer protection?

2. Why is e.g. consumer protection of importance to Croatian businesses?

3. What are the relevant EU Directive(s) / regulation(s) / standard(s), etc?

4. What are the relevant Croatian law(s) / regulation(s) / standard(s), etc?

5. What are the implications for Croatian businesses?

6. Which economic sectors are most likely to be affected (using boxed examples)?

7. What are the relevant support institutions (Croatia, EC, other)?

8. What are the relevant sources of information?

Appendices

Sub-tasks

1.4.1. Determine and agree structure of each training module and draft Mini Guide. **Completed**

1.4.2. Liaise with key partners in preparing content of the training modules. **Completed**

1.4.3. Liaise with key partners in preparing content of the draft Mini Guides. **Completed**

Task 1.5. Deliver Training in the Eight Legislative Fields

Following liaison with the EC Delegation, it was agreed that all eight training events would be organised at the EU Info Centre. This venue was chosen because of the connection to the Project themes, because it holds an audience of 50 and has in-built presentation and interpretation facilities. Although this is not a requirement, in order to maximise the value of the learning experience, training was delivered in Croatian, with interpretation (Croatian / English and English / Croatian) provided for all eight training sessions.

As discussed in the box above, the training focused on the following issues:

- Analysis of EU directives and national legislation.
- Implications for the SME sector in general.
- Key documents, information sources, contacts, etc.
- Presentation of key relevant state bodies connected with the theme.
- Discussion of quality of communication and how things can be improved.

The Table below sets out the dates of the training seminars, number of attendees and whether the Mini Guides have been completed or not. *Annex 7 1.5* set out the agendas, attendance record and training materials that were delivered. The next Progress Report will present all the Mini Guides as well.

Training	Date delivered	Trainer	Participants	Draft Mini Guide
Intellectual property rights	07 February	State Intellectual Property Office	24	Yes
Environmental protection	14 February	International Relations Institute	37	Yes
Competition policy	28 February	Croatian Competition Agency	18	Yes
State aid	06 March	Croatian Competition Agency	44	Yes
Public procurement	11 March	Public Procurement Office	32	No
Consumer protection	13 March	Faculty of Law, Zagreb	31	Yes
Standards of agricultural products	18 March	Biotechnicon, Zagreb/Split	24	Yes
Standards of industrial products	27 March	Mr Ramon Rovira	31	Yes

The only output which is currently outstanding in relation to this task is the draft Mini Guides for Public Procurement. The Public Procurement Office declined to write the Mini Guide late in the day, which means that an STE had to be found to do this part of the work. However, this is a minor exception and the task is expected to be completed by May 2008. Upon the request of the SPO, the Project shall make the draft Mini Guides available for dissemination at the forthcoming SME Conference at Šibenik in May 2008. This represents an additional Project output.

Sub-tasks

- 1.5.1. Deliver training on the eight topics in Zagreb, inviting relevant stakeholders. **Completed**
1.5.2. Disseminate the draft Mini Guides, e.g. in the Project website, Šibenik SME Conference. **Ongoing**

Activity 2 - Impact Assessment Methodology and Train the Trainers

Specific tasks

Tasks	Description
2.1.	Prepare legislative IA Manual.
2.2.	Organise one-day presentation on the IA methodology and identify possible sector and sub/sectors for the IA studies.
2.3	Deliver one-week TTT on legislative IA.
2.4.	Undertake two Study Tours to EU countries.
2.5.	Support in performing 5+ impact analysis studies.
2.6.	Revise and publish IA Manual.
2.7	Cascade IA training.

Task 2.1. Prepare IA Manual

Impact Assessment (IA) has become an established policy tool in EU and OECD member countries and the Project places emphasis on legislative Impact Assessment in relation to the eight legislative fields from the point of businesses. The IA methodology will be based on OECD/EU country methodologies, but customised to the local specificities. Of particular interest in developing the Manual will be the experience of countries such as United Kingdom and the Republic of Ireland, both of which have placed significant emphasis on legislative Impact Assessment for the business sector, including guidance on transposition of EC Directives. The focus will

be on the creation of a practical “how to” Manual, involving a step-by-step process, to assist MINGORP and the related beneficiaries to conduct legislative Impact Assessment.

Consequently, the focus of the 1st Reporting Period has been on finding suitably qualified national and international STEs for the IA activity. The STE will produce the IA methodology and Manual and is expected to not only have experience of IA; but also enterprise development and sectoral studies. Following an extensive search, the following individuals have been approved by MINGORP and CFCA contracted by the Consortium:

- Prof. Colin Kirkpatrick, Manchester University, Impact Assessment Unit.
- Prof. Clive George, Manchester University, Impact Assessment Unit.

Annex 8 2.1 sets out their respective CVs and the ToR for the activities which they shall perform jointly. The ToR foresees that they will be responsible for:

- Preparation of the draft IA Manual.
- Preparation and delivery of the one day workshop, including selection of potential case studies (see below).
- Preparation and delivery of the one-week TTT (see below).

Sub-tasks

- 2.1.1. Commission STE to draft the legislative Impact Assessment methodology. **Completed**
- 2.1.2. Present the draft methodology to Project beneficiaries (see 2.3.2 below). **2nd Reporting Period**
- 2.1.3. Prepare first draft of the IA Manual in English. **2nd Reporting Period**
- 2.1.4. Prepare first draft of the IA Manual in Croatia. **3rd Reporting Period**
- 2.1.5. Disseminate first draft of the IA Manual to beneficiaries. **4th Reporting Period**

Task 2.2. Organise One-day Presentation

A key step in the process of developing the IA Manual will be to prepare the draft best practice based methodology, customise it for the particular situation in Croatia and present it to stakeholders at a one-day presentation to be held in Zagreb. Based on the feedback obtained, the IA methodology will be finalised and the IA Manual will be produced. The one-day presentation will have an important secondary role: the participants will be invited to make suggestions for the priority sectors / sub-sectors to undertake the 5+ legislative IA studies (see below). The final 5+ studies will then be defined by the Consultant, in cooperation with the Project beneficiaries. Based on the initial discussions with the beneficiaries, it has been agreed that each will nominate up to 5 people to participate in the workshop, so about 25-30 participants are expected. Profs. Colin Kirkpatrick and Clive George will lead the workshop and discussions. The date for the workshop is 15 April 2008.

Sub-tasks

- 2.2.1. Obtain feedback on the proposed IA methodology. **2nd Reporting Period**
- 2.2.2. Obtain feedback on the possible 5+ RIA case studies. **2nd Reporting Period**
- 2.2.3. Obtain feedback on the priority sectors and sub-sectors. **2nd Reporting Period**

Task 2.3. Deliver one-week TTT on Legislative IA

The preparation of the IA Manual will lead to a one-week customised Train the Trainers (TTT) programme to ensure that the IA methodology and Manual are effectively transferred to the beneficiary institutions. The TTT will involve a mixture of lectures, individual and group exercises, etc. to maximise the learning opportunity. For quality and continuity reasons, the international and local STEs responsible for developing the methodology and the IA Manual will undertake the one-week training for the TTT. They will also revise the draft IA Manual based on the experience of the TTT.

The Inception Report foresaw 15 participants benefiting from the TTT; at the request of the beneficiaries, this number is being raised in the expectation that some 20+ people will participate in the one-week TTT. However, 15 people from the Beneficiary institutions will participate in the actual study tours. The Consultant is liaising with the beneficiaries to identify appropriately qualified individuals who will also have the time to commit to the associated activities on behalf of their respective organisations. A letter is in the process of being obtained from the beneficiaries stating who will participate in the:

- Workshop.
- One week training.
- Study Tours.
- Case studies.

Furthermore, since TTT implies a need to cascade the knowledge to the rest of their respective organisations, the above letter is also expected to provide an indication as to how this will be done by the beneficiaries (see also Task 2.7 below).

Sub-tasks

- 2.3.1. *Identify appropriately qualified persons for TTT from the partner organisations. Ongoing*
- 2.3.2. *Obtain commitment that TTTs will participate in the Study Tours/case studies. Ongoing*
- 2.3.3. *Obtain indication how the TTT will cascade the IA knowledge internally. Ongoing*
- 2.3.4. *Deliver one-week TTT on IA methodology and IA Manual in Zagreb. 2nd Reporting Period*
- 2.3.5. *Revise IA Manual according to feedback from the training session. 2nd Reporting Period*

Task 2.4. Undertake Two Study Tours to EU Countries

An important tool for effective transfer of know-how is the organisation and implementation of Study Tours. Networking the beneficiaries with similar institutions, policies and IA systems in a practical way is an important element of technical assistance. It enables participants to experience not merely the technical and theoretical content of IA developed through the in-country TTT process, but also to put this in context by experiencing how the system operates in other countries in practical terms. Since the BIZImpact Project also focuses on communication, information dissemination and dialogue, part of the Study Tours will cover these themes. Two Study Tours have been budgeted for:

- To an “established” EU country (UK) to ensure that the TTTs are aware of the state-of-the-art systems and practices in relation to IA, as well as communication and awareness-raising.
- To a “new” EU member country (probably Poland) to discuss IA, evolution of IA systems, implementation needs, etc.

The Study Tours participants are in the process of being identified and will include the following:

- Five from MINGORP.
- One from HAMAG.
- Three from HGK.
- Three from HOK.
- Three from HUP.

Most of the participants have already been identified, including two people from MINGORP. However, the Ministry is in the process of establishing an Impact Assessment Unit within the Minister’s Cabinet. The full complement from MINGORP will only be known once these civil servants have been appointed.

Sub-tasks

- 2.4.1. *Select the 15 participants for the Study Tours based on participation in TTT. Ongoing*
- 2.4.2. *Select countries to undertake the Study Tours based on best practice. Ongoing*
- 2.4.3. *Develop short, practical and focused programme for the Study Tours. 2nd/3rd Reporting Period*
- 2.4.4. *Prepare all logistics (programme, transport, accommodation, etc.). 2nd/3rd Reporting Period*
- 2.4.5. *Brief participants on the expectations, prior to departure. 2nd/3rd Reporting Period*
- 2.4.6. *Prepare necessary documentation (itineraries, visas, feedback, etc.) 2nd/3rd Reporting Period*
- 2.4.7. *Coordinate and support Study Tours in-country to maximise the benefits. 2nd/3rd Reporting Period*

Task 2.5. Support in Performing 5+ Impact Assessment Studies

We have previously described the one-day workshop which will be used to identify the possible IA studies, sectors and sub-sectors. This will be further discussed with the sectoral bodies operated by the beneficiaries. Once the 5+ studies are agreed upon, a process of coaching and mentoring will be applied by the Consultant in order to ensure that:

- The 5+ sector/sub-sector studies are performed professionally.
- The beneficiaries combine the theory (one-week TTT, 2 Study Tours, IA Manual) with the practice (5+ sector/sub-sector studies).
- The beneficiaries develop a thorough understanding of the IA tools and are able to perform legislative IA independently of the Consultant.

This task is planned to start in the 3rd Reporting Period.

Sub-tasks

- 2.5.1. *Allocate 15 TTT participants to different groups to perform the IA studies. 3rd Reporting Period*
- 2.5.2. *Commission STEs in the relevant technical areas to support the process. 3rd Reporting Period*

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- 2.5.3. Support the TTT participants to implement the 5+ studies as per Manual. 3rd/4th Reporting Period
- 2.5.4. Support the TTT participants to produce the 5+ legislative IA reports. 3rd/4th Reporting Period
- 2.5.5. Present the 5+ legislative IA reports to the Project Steering Committee. 4th Reporting Period

Task 2.6. Revise IA Manual

The STEs responsible for the Manual will have supported the preparation of the 5+ IA studies and will use this experience of the theory and practice of working on legislative IA to update the Manual. Illustrative examples and case studies from the 5+ IA studies will be incorporated into the final version of the legislative IA Manual in order to ensure that it is structured, practical, illustrative, etc. The IA Manual will be made available in Croatian and English.

This task is planned to start in the 4th Reporting Period.

Sub-tasks

- 2.6.1. Develop examples, case studies and annexes based on the 5+ IA studies. 4th Reporting Period
- 2.6.2. Incorporate the above materials into the final version of the IA Manual. 4th Reporting Period
- 2.6.3. Publish the IA Manual in English and Croatian (printed and e-book). 4th Reporting Period
- 2.6.4. Disseminate the legislative IA Manual widely. 4th Reporting Period

Task 2.7 Cascade IA training

As mentioned previously, the TTTs who receive IA training and participate in the Study Tours and case studies will do so, on the condition that they subsequently cascade that knowledge and experience within their own institutions. While the Technical Assistance Team will provide advice and limited support, the responsibility will be on the beneficiaries and those trained to organise and undertake this cascaded training while their own training and practical experience are still fresh.

This task is planned to start in the 4th Reporting Period.

Sub-tasks

- 2.7.1 TTTs to organise cascade training sessions within their own institutions and agree these with the Project team. 4th Reporting Period
- 2.7.2 TTTs to deliver cascaded training. 4th Reporting Period

Activity 3 - Business Information Needs Survey (BINS)

Specific tasks

Tasks	Description
3.1.	Recruit Market Research Agency to carry out “Before” and “After” BINS.
3.2.	Prepare and finalise BINS methodology.
3.3.	Publicise BINS to maximise cooperation and participation
3.4.	Undertake “Before” BINS.
3.5.	Undertake “After” BINS.
3.6.	Undertake visibility events to present BINS results throughout country.

Task 3.1. Recruit Market Research Agency to Carry Out the “Before” and “After” BINS.

The purpose of the Business Information Needs Survey (BINS) is to provide an independent information needs analysis and baseline at the beginning of the Project (“Before” BINS) whilst the follow-up study (“After” BINS) is expected to assess the situation in the business community and to evaluate the progress achieved in comparison with the findings in the “Before” survey

A priority was to recruit a Market Research Agency (MRA). The Project established and agreed the tendering procedure with the CFCA. Although not strictly necessary according to the conditions of the Project, it was nevertheless decided jointly with CFCA to follow a simpler version of the “Competitive Negotiated Procedure” so as to secure accountability, transparency and value for money in the award of the tender. To this end, the Consultant met with the following experienced MRAs with the capability to implement the “Before” and “After” BINS:

- Accent.
- GfK.
- Henda.
- Puls.
- Promocija Plus.
- Target.
- Velicon (formerly Prizma).

Following this, a draft tender document (BINS Brief) was prepared and circulated to the beneficiaries and a meeting was held on 11 October 2007 to discuss and agree this. The BINS Brief covered the following key issues:

- Background.
- Methodology:
 - Timing.
 - Overall approach.
 - Components and sequence of the “Before” BINS (panel survey, sampling frame, stratification, focus groups, one-to-one interviews, etc).
 - Components and sequence of the “After” BINS.
- Selection procedure (technical and financial proposal; evaluation panel, etc.).

The final BINS Brief (see *Annex 9 3.1*) was prepared by the Contractor and was issued to the seven leading market research companies listed above with a deadline for proposals of 14 November 2007.

An Evaluation Committee was established comprising the following individuals:

- Dr Ricardo Pinto (Chair), Pohl Consulting & Associates (PCA) Consortium.
- Mr Chris McLean, PCA Consortium.
- Ms Jasminka Keser, MINGORP.
- Ms Andrea Dokić, HUP.
- Ms Vesna Torbarina, HGK.

The Evaluation Committee met on 26 November 2007 to assess the three valid proposals received. As demonstrated in the Evaluation Report (see *Annex 9 3.1*), Puls was awarded the most points on both technical and financial grounds.

The Consortium duly contracted Puls to undertake the BINS in December 2007.

Sub-tasks

- 3.1.1. Obtain CFCA approval for tendering procedure. **Completed**
- 3.1.2. Discuss potential BINS methodology with MRAs. **Completed**
- 3.1.3. Develop the draft BINS Brief and obtain agreement with beneficiaries. **Completed**
- 3.1.4. Tender BINS service contract (information, support, logistics, etc). **Completed**
- 3.1.5. Manage evaluation via Evaluation Committee and simplified Evaluation Report. **Completed**
- 3.1.6. Negotiate and contract with the winning MRA. **Completed**

Task 3.2. Prepare and Finalise BINS Methodology

Upon negotiating and contracting with Puls, the Consultant prepared the draft methodology, jointly with the selected MRA, a process involving several meetings.

Puls presented the draft methodology to the Beneficiaries (see *Annex 9 3.2*) on 14 December 2007.

Following discussion, the Beneficiaries were given sufficient time to scrutinise the draft methodology and offer feedback regarding possible improvement of the methodology.

A further meeting on 15 January 2008 resulted in the presentation of the draft BBINS questionnaire. The deadline for receipt of comments and feedback was 22 January 2008. The Consultant, together with Puls, took on-board the relevant comments, leading to approval of the methodology and the survey for the BINS.

In addition to agreeing the methodology and obtaining feedback on the draft BBINS from beneficiaries, the Consultant also approached all eight groups of stakeholders to obtain feedback on the overall draft survey. Following a good deal of chasing up and coordination, feedback was obtained from all beneficiaries and stakeholders and the methodology was finalised. The final agreed version of the BBINS questionnaire is set out in *Annex 9 3.4*.

Sub-tasks

- 3.2.1. *Consultant and MRA to refine and prepare draft BINS methodology. Completed*
- 3.2.2. *Present draft methodology and BINS to the beneficiaries. Completed*
- 3.2.3. *Incorporate relevant feedback from beneficiaries. Completed*
- 3.2.4. *Obtain feedback from stakeholders in the eight legislative fields. Completed*
- 3.2.5. *Agree and finalise BINS methodology. Completed*

Task 3.3. Publicise BINS to Maximise Cooperation and Participation

Since business surveys are frequently carried out in Croatia, to ensure a good response rate and quality of responses, it was necessary to communicate to potential respondents the importance and value of the BINS, both for Croatian public bodies in terms of future policy-making and for businesses themselves in terms of receiving targeted and practical information which will assist them to prepare for EU accession. This was achieved by working closely with the Project beneficiaries and using their information channels (e.g. websites and publications such as *Ekonomist*, *Privredni Vjesnik* and *Obrtničke Novine*) to inform small businesses about BINS, combined with meetings at county level to raise awareness. (see *Annex 9 3.3*.)

Sub-tasks

- 3.3.1. *Agree with beneficiaries BINS awareness-raising / communication approach. Completed*
- 3.3.2. *Assist beneficiaries with publicity (e.g. press releases) at national/county level. Completed*

Task 3.4. Undertake “Before” BINS

The BINS involves a mixture of quantitative and qualitative components:

- A quota survey of 2,000 SMEs and crafts, involving pre-arranged interviews to minimise inconvenience to respondents. The target group for the survey will be the owners / managing directors in the case of micro/small enterprises and crafts, and directors with relevant responsibilities in the case of medium-sized enterprises.
- Ten face-to-face interviews with medium-sized firms across six regions.
- Five focus groups of 8 to 10 entrepreneurs each.

Once the methodology (see above), and draft BBINS questionnaire was finalised, a detailed process of quality control was initiated involving:

- Collation of feedback from beneficiaries.
- Collation of feedback from stakeholders.
- Discussions with Puls to determine what to keep and what to reject.
- Participation in a sample of the focus group discussions.
- Participation in a sample of the piloted telephone interviews.

The fieldwork for the BBINS started in March 2008 and is expected to be completed in mid-April, followed by the draft report in late April 2008. The survey analysis will involve mainly descriptive statistics (frequencies,

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cross-tabulations, etc.) with a focus on incorporating both the qualitative and quantitative analysis into relevant and timely policy recommendations for the Project priorities. The draft report will be presented to beneficiaries and, following comments and feedback by them, the final version of the “Before” BINS report will be delivered in English and Croatian.

Sub-tasks

- 3.4.1. *Oversee MRA in piloting, revision and finalisation of the BINS. Completed*
- 3.4.2. *Oversee MRA in undertaking, analysis and delivering draft BINS report. 2nd Reporting Period*
- 3.4.3. *Oversee preparation of BINS presentation to beneficiaries. 2nd Reporting Period*
- 3.4.4. *Coordinate with beneficiaries to prepare feedback to MRA on draft report. 2nd Reporting Period*
- 3.4.5. *Oversee preparation of final report by MRA in English and Croatian. 2nd Reporting Period*

Task 3.5. Undertake “After” BINS

The BINS survey is a fixed panel study; consequently, the same 2,000 enterprises will be asked to participate in the “After” BINS (supplemented by replacements for those firms in the quota which do not wish to participate in the follow-up survey or have gone out of business). The After BINS will include the same qualitative elements as the “Before” BINS, namely 10 face-to-face interviews and 5 focus groups with the same respondents. The “After” BINS will include a sensitivity analysis to assess whether the responses of the “replaced” firms vary significantly from that of the “non-replaced” firms. The “After” BINS will thus enable an objective assessment of what has changed, if anything, since the “Before” BINS was performed. The analysis of the “After” BINS will include an evaluation of the awareness-raising campaign and its impact.

This task is planned to start in the 4th Reporting Period.

Sub-tasks

- 3.5.1. *Prepare replacement sample to achieve an overall quota of 2,000 firms. 4th Reporting Period*
- 3.5.2. *Oversee MRA in replacing the “After” BINS quota sample. 4th Reporting Period*
- 3.5.3. *Oversee MRA in undertaking, analysis and delivering draft BINS report. 4th Reporting Period*
- 3.5.4. *Oversee preparation of the “After” BINS presentation to beneficiaries. 4th Reporting Period*
- 3.5.5. *Coordinate with beneficiaries to prepare feedback to MRA on draft report. 4th Reporting Period*
- 3.5.6. *Oversee preparation of final report by MRA in English and Croatian. 4th Reporting Period*

Task 3.6. Undertake Visibility Events to Present BINS Results Throughout the Country

The reason for undertaking the BINS is to establish, for the eight fields covered by the BIZImpact Project, the extent to which the Croatian small business community is aware of the EU and national legislation governing their field, the extent to which they are prepared for EU accession, the sources of information that they use and the nature of the information gaps; and to assess what is possible for ministries, agencies and business associations to do in order to meet their information, communication and dialogue needs. However, the key point is to implement the BINS policy recommendations, and working with the governmental and business sector in order to improve information provision, strengthen communication channels and enhance dialogue around the eight legislative themes. Thus, it is essential to disseminate the results of the BINS widely throughout the country, as well as to hold discussions with the key stakeholders and prepare responses for improving information dissemination to the Croatian business community, linking with the tasks in Activity 4 below.

Although the Inception Report anticipated five events, the Consultant is actually in the process of organising six visibility / dissemination events respectively in Zagreb and elsewhere in Croatia. This reflects the fact that the final BBINS sample is divided into six rather than five regions:

- National Conference: Wednesday 07 May, Zagreb (Mimara Museum) for national organisations, Zagreb City and Zagrebačka county.
- Slavonia: Wednesday 14 May, Osijek (HGK County Chamber) covering Požeško-slavonska, Brodsko-posavska, Osječko-baranjska and Vukovarsko-srijemska counties.
- Dalmatia: Monday 19 May, Split (HGK County Chamber) covering Zadarska, Šibensko-kninska, Splitsko-dalmatinska and Dubrovačko-neretvanska counties.
- Northern Croatia: Tuesday 27 May, Varaždin (HGK County Chamber) covering Krapinsko-zagorska, Varaždinska, Koprivničko-križevačka, Bjelovarsko-bilogorska, Virovitičko-podravska and Međimurska counties.

- Lika & Banovina: Tuesday 03 June, Karlovac (venue to be confirmed) covering Sisačko-moslavačka, Karlovačka and Ličko-senjska counties.
- Primorje & Istria: Wednesday 04 June, Rijeka (venue to be confirmed) covering Primorsko-goranska and Istarska counties.

The anticipated format of the events is discussed in the box below. The National Conference in Zagreb will also serve as the “public launch” of the BIZimpact Project; at the request of the EC Delegation, this was delayed until the Project had substantial information (i.e. the BINS results) to make public.

Box 2: BINS Presentations and Public Launches

1. Objective:

To inform a wide range of potential Project partners / beneficiaries, the broader business community, relevant public bodies and the media about BIZimpact activities and the results of the Business Information Needs Survey (BINS) in particular.

2. Format:

Each event will comprise a short conference (2-2.5 hours) with several speeches and presentations and an opportunity for questions / discussion, followed by a buffet lunch. The following programme is proposed:

National Conference (07 May, Zagreb):

09.30-10.00	Coffee & Registration
10.00-10.10	Welcome and Introduction – Tajana Kesić Šapić, State Secretary, MINGORP
10.10-10.20	EC Delegation – Constantino Longares Barrio, Head of Operations
10.20-10.50	Project Partners (senior representatives of HGK, HOK, HUP, HAMAG)
10.50-11.10	Presentation of Project – Ricardo Pinto, Team Leader / Chris McLean, DTL
11.10-12.10	Presentation of BINS Results – Ivan Burić / others, Puls
12.10-12.25	Questions / Discussion
12.25-12.30	Conclusions – MINGORP
12.30-13.30	Buffet Lunch

Regional Conferences:

09.30-10.00	Coffee & Registration
10.00-10.10	Welcome and Introduction – Representative of MINGORP
10.10-10.20	Welcome by Host Organisation
10.20-10.45	Other Project Partners (HGK, HOK, HUP, HAMAG as appropriate)
10.45-11.00	Presentation of Project – Ricardo Pinto, Team Leader / Chris McLean, DTL
11.00-11.40	Presentation of BINS Results – Ivan Burić / others, Puls
11.40-11.55	Questions / Discussion
11.55-12.00	Conclusions – Representative of MINGORP
12.00-13.00	Buffet Lunch

3. Participants:

National conference: a maximum of 150 participants, including:

- Speakers and presenters (BIZimpact, Puls, MINGORP, HAMAG, HGK, HOK, HUP, EC Delegation)
- Project partners (relevant departments / sectoral organisations of national organisations and Zagreb City / County representatives where appropriate)
- CFCA, SDURF, EU embassies
- Stakeholders in eight Fields (ministries, agencies, professional bodies etc)
- Members of Parliament (Committee on the Economy, Development & Reconstruction), Zagreb City and County Governments
- Other relevant public bodies
- Other national business organisations
- Academic / research institutions
- Relevant EU- / donor-funded projects, international organisations
- National and Zagreb media

Regional conferences: a maximum of 70 participants, including:

- Speakers and presenters (BIZimpact, Puls, MINGORP, other partners)

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- Project partners (county / regional organisations, sectoral bodies, guilds)
- Economic Development Departments of County and City Governments
- Regional Development Agencies
- Business / enterprise centres, enterprise zones, industrial / technology parks, business incubators
- Academic / research institutions
- Regional and local media

Sub-tasks

- 3.6.1. Present “Before” BINS in 6 regional events throughout Croatia. *2nd Reporting Period*
- 3.6.2. Discussions with stakeholders in eight fields on “Before” BINS implications. *2nd Reporting Period*
- 3.6.3. Prepare awareness-raising strategy based on results of the BINS. *2nd Reporting Period*
- 3.6.4. Disseminate the “Before” BINS report widely. *2nd Reporting Period*
- 3.6.5. Present “After” BINS report at final Project conference. *4th Reporting Period*
- 3.6.6. Hold discussions with stakeholders in eight fields on “After” BINS implications. *4th Reporting Period*
- 3.6.7. Disseminate the “After” BINS report widely. *4th Reporting Period*

Activity 4 - Information to the Croatian Business Community

Specific tasks

Tasks	Description
4.1.	Preparation of awareness-raising methodology / plan
4.2.	Preparation and implementation of the awareness-raising campaign
4.3.	Development of Public-Private Dialogue
4.4.	Training Information Officers in all counties
4.5.	Evaluation of the awareness-raising campaign

Task 4.1. Preparation of Awareness-raising Methodology / Plan

The basis for any good awareness-raising campaign is solid research to identify the existing levels of knowledge and understanding of the target audiences, their information needs (particularly the “information gaps” which exist concerning critical issues) and the most effective communication tools through which to reach them. As such, preparation of an awareness-raising methodology / plan will be preceded by two phases of research:

- Analysis of existing communications and communications capacity of the Project beneficiaries and other organisations communicating information about the eight legislative fields to the business community, to gauge how best to coordinate and build on existing communication processes.
- Use of the “Before” BINS and analysis of the results of the survey to identify the information needs of and most effective communication tools for reaching the Croatian SME community, including sector-specific information requirements.

Based on the above research, a full Communications Plan will be developed including both an overall strategic framework, target groups, objectives and methodology and detailed implementation plans, including a full budget, timetable and responsibilities of the various experts and beneficiaries involved in the Project.

In the 1st Reporting Period, suitable communications counterparts have been identified from all beneficiaries except MINGORP (once the review of MINGORP’s structure has been undertaken, identification of a suitable person or persons should be possible). These individuals will form a Communications Working Group to develop and oversee implementation of the communications strategy; the working group will be convened in the 2nd Reporting Period once the BBINS results are available.

An initial review of the existing and planned communications activities and capabilities of the Project beneficiaries has been undertaken; this will be developed into a formal Communications Audit (including pilot studies of relevant beneficiaries' communications at county/regional level and communications between head offices and county/regional structures) to be conducted during the 2nd Reporting Period. The results of the Audit will complement the BBINS results in providing solid empirical evidence for development of the communications strategy.

Based on the initial analysis of beneficiaries' communications, a series of questions designed to measure the effectiveness of these activities were developed and included in the BBINS questionnaire.

Sub-tasks

- 4.1.1. *Identify and analyse existing communications with SMEs and communications capacity of Project beneficiaries and other actors. Ongoing (continuing in 2nd Reporting Period)*
- 4.1.2. *Draft questions for inclusions in "Before" BINS to identify information needs and appropriate communications tools for SMEs, including specific sectoral needs and regional variations. Completed*
- 4.1.3. *Analyse BINS results regarding information needs and communications tools. 2nd Reporting Period*
- 4.1.4. *Develop Communications Plan based on above results. 2nd Reporting Period*

Task 4.2. Preparation and Implementation of the Awareness-raising Campaign

Once the Communications Plan has been discussed and agreed with the Project beneficiaries, it will be implemented jointly by the Project Team and the beneficiaries (through the Communications Working Group described above). Although the exact communication tools to be utilised will not be specified until the Communications Plan is prepared (based on the results of the "Before" BINS research), it will, as a minimum, include the following:

- Visibility events (a minimum of 10) to be held both at national and county level.
- Participation by beneficiaries in conferences / exhibitions where appropriate opportunities for publicity exist.
- Design and production of a visual identity for all awareness-raising campaign products and activities.
- Production and distribution of information materials (including the Mini Guides, Frequently Asked Questions and sector-specific information) through the Project beneficiaries and other channels that may be identified for reaching SMEs.
- Production of a website and development (in cooperation with partners) of other electronic means of communication, including e-newsletters and interactive services allowing feedback and enquiries.
- Media relations, news conferences, interviews, etc. at national and county / regional level, including identification of most appropriate / specialist media for reaching the small business community.
- Consideration of advertising / marketing activities to supplement other communication tools, where appropriate and cost-effective.
- Proposals for improving responses to information requests from the business community, including proposals for improvements to telephone information services.
- Improvement of internal and inter-institutional communications to build an effective and sustainable network for communications with the business community.

A Project website has been developed and was launched at the start of March 2008. It can be accessed at www.bizimpact.hr. Information and materials will be added to the website throughout the Project. Links are provided to all Project partners and other relevant sources of information.

Sub-tasks

- 4.2.1. *Draft Communications Plan (including specific implementation plans, budgets, timetable and responsibilities) and discuss with Project beneficiaries. 2nd Reporting Period*
- 4.2.2. *Agree final version of Communications Plan. 2nd Reporting Period*
- 4.2.3. *Organise tender(s) if required for communications products / activities. 2nd/3rd Reporting Period*
- 4.2.4. *Establish Communications Working Group and implement awareness-raising activities. 2nd/3rd/4th Reporting Period*
- 4.2.5. *Monitor and adjust campaign activities as required by changing needs and circumstances. 2nd/3rd/4th Reporting Period*

Task 4.3. Development of Public-Private Dialogue

A key objective of the Communications Plan and the awareness-raising campaign, mirroring other Project activities, will be to establish an effective and sustainable system for ongoing, two-way communication with Croatian SMEs and their representatives. Emphasis in the communication tools will, therefore, be focused on activities which enable and encourage feedback from and dialogue with the small business community. While specific measures will be developed based on the research findings, this will be achieved through development of pro-active communication tools and events which can respond to specific information requests from entrepreneurs (including improvements to the many existing information resources) and education of SMEs in the information resources available.

In developing plans for public-private dialogue, consideration will be given to other initiatives in this field, including plans for the SMEPED Project to develop a mechanism for dialogue for SMEs (see section 1.3). Care will be taken to complement rather than duplicate activities developed by SMEPED and others.

Sub-tasks

- 4.3.1. *Based on research findings, include proposals for public-private dialogue in the Communications Plan. 2nd Reporting Period*
- 4.3.2. *Use other Project activities (e.g. the 5+ Impact Assessments) as pilot opportunities for putting public-private dialogue into practice. 2nd/3rd/4th Reporting Period*

Task 4.4. Training Information Officers in All Counties

To make sure that information reaches SMEs on the ground, particularly since the research may well identify significant regional variations in current levels of knowledge and information gaps, as much emphasis will be placed on communications activities at county / regional level as at national level. This will include training of information officers in all 21 counties, to complement development of the communications capacities of the Project beneficiaries at national level.

The training programme will be developed based on an analysis of existing communications capacities and needs at both national and county level and on the "Before" BINS results showing the information needs of the target audiences.

Although the ToR only mention training of local information officers, it is clear that a parallel need exists for communications capacity-building at a national level, and the Project will aim to provide this alongside the training of local information officers. Attention will also be paid to sector-specific communication requirements within the Project beneficiaries.

In the 1st Reporting Period, a draft programme for communications training has been developed covering all national and county/regional structures of beneficiaries (see Box below). This will deliver training in the most important communications skills to 50+ participants. Initial discussions have also taken place with suitable Croatian experts to assist in delivering the training. The proposed schedule is as follows:

- Osijek: Wednesday 14 – Thursday 15 May 2008 (for partner organisations from Požeško-slavonska, Brodsko-posavska, Osječko-baranjska, Vukovarsko-srijemska and Virovitičko-podravska Counties)
- Split: Monday 19 – Tuesday 20 May 2008 (for partner organisations from Zadarska, Šibensko-kninska, Splitsko-dalmatinska and Dubrovačko-neretvanska Counties)
- Varaždin: Tuesday 27 – Wednesday 28 May 2008 (for partner organisations from Krapinsko-zagorska, Varaždinska, Koprivničko-križevačka, Bjelovarsko-bilogorska and Međimurska Counties)
- Rijeka: Wednesday 04 – Thursday 05 June 2008 (for partner organisations from Primorsko-goranska, Istarska and Ličko-senjska Counties)
- Zagreb: Monday 16 – Tuesday 17 June 2008 (for partner organisations from Zagreb City, Zagrebačka, Sisačko-moslavačka and Karlovačka Counties)
- Zagreb: Thursday 19 – Friday 20 June 2008 (for national offices of partner organisations)

There is a slight delay in the delivery of the training compared to the expectations of the Inception Report. Although the training will be delivered in May/June, rather than April, this will not have a notable impact on

project implementation. The programme will be amended, based on the “Before” BINS results and a training needs assessment of proposed participants, and will be delivered during the 2nd Reporting Period.

Box 3: Outline of Communications Training Programme

1. Objective:

To provide training in communications and public relations skills to Project partner organisations at both national and regional / county level, in order to strengthen their capacity to participate in an awareness-raising campaign aimed at SMEs / crafts and opinion-formers, including the media.

2. Format:

Each training course will last 1.5 days and consist of a mix of presentations and practical exercises, led by the BIZImpact communications expert and Croatian experts in the communications / media fields. An interactive approach will be adopted, with questions and debate encouraged.

Subjects to be covered may include:

Session 1

- Role of a communications officer – main tasks / the importance of PR
- Practical experience as a communications officer
- The Croatian media – national and regional
- Working with the media
- Practical working groups (two) - drafting a press release / organising a media event + feedback / discussion

Session 2

- Communications within and between organisations
- Dealing with a crisis – preparing for and handling bad news
- Practice TV and radio interviews + feedback / discussion

Session 3

- Presentation skills – successful conferences and seminars
- Communicating with small businesses – problems and opportunities, targeting information
- Practical working groups (two) – potential real issues + feedback / discussion
- Further training needs – discussion + completion of evaluation forms

3. Participants:

Each course will have a maximum of 10 participants in order to ensure an interactive approach and that every participant is able to take part in TV / radio training and other practical exercises. Participants will be limited to partner organisations (MINGORP, HAMAG, HGK, HOK, HUP) with numbers as follows:

- **Two participants** from each organisation at **national** level
- **One participant** from each **county** chamber of HGK / HOK and each **regional** office of HUP

If the training proves to be useful and would be of benefit to further people, consideration will be given to organising further courses during the Project.

Sub-tasks

- 4.4.1. *Analyse existing communications capacity and capacity-building / training needs of Project beneficiaries at national and regional / county level. Continued in 2nd Reporting Period*
- 4.4.2. *Identify individuals requiring training, including a minimum of 21 information officers at county level. 2nd Reporting Period*
- 4.4.3. *Prepare communications training plan, discuss and agree with beneficiaries. Continued in 2nd Reporting Period*
- 4.4.4. *Implement communications training. 2nd Reporting Period*
- 4.4.5. *Evaluate communications training and further training needs. 2nd Reporting Period*

Task 4.5. Evaluation of the Awareness-raising Campaign

As part of the Communications Plan developed under activity 4.2, specific indicators will be developed to measure the success of the awareness-raising campaign. The “After” BINS will provide an opportunity for

measurement of indicators such as improved awareness and will also help to identify future information needs and activities required.

The evaluation indicators will include *output* measurements, such as:

- No. of information requests / enquiries from businesses to beneficiaries' information centres and info points (visitors, written, telephone and e-mail enquiries).
- No. of website visits and no. of comments / feedback.
- No. of publications printed and distributed.
- No. of conferences / seminars held and no. of attendees.

But equally importantly, the evaluation indicators will also include *impact* measurements, such as:

- Volume and nature of media coverage achieved (e.g. number of articles published, interviews broadcast, positive/ negative type and accuracy of coverage).
- Improvements in awareness achieved (measured by "Before" and "After" BINS).
- Level of satisfaction of customers regarding e.g. responses to information requests.

Sub-tasks

- 4.5.1. *Develop evaluation indicators for inclusion in the "Before" and "After" BINS and for use during the awareness-raising campaign (e.g. media monitoring, recording output numbers). 2nd Reporting Period*
- 4.5.2. *Discuss and agree evaluation indicators with beneficiaries and include them in Communications Plan. 2nd Reporting Period*
- 4.5.3. *Collate and analyse data for evaluation indicators from BINS and from monitoring measures during campaign. 2nd/3rd/4th Reporting Period*
- 4.5.4. *Produce evaluation report and discuss with beneficiaries. 4th Reporting Period*

2.2 Resources Planned and Used

The resources that were planned for the first Reporting Period are set out in the table below:

Activity / Task	Key Experts		STEs		TOTAL	%
	Team Leader	Deputy Team Leader	Senior Experts	Junior Experts		
Activity 0: Inception Phase, Project Management and Reporting	65	34	0	0	99	34,02
Activity 1: Initial Training in 8 Fields	24	13	46	25	108	37,11
Activity 3: Business Survey	25	28	0	0	53	18,21
Activity 4: Information to Business Community	0	16	13	2	31	10,65
TOTAL	114	91	59	27	291	100

In actual fact, the following resources have been consumed during the first Reporting Period:

Activity / Task	Key Experts		STEs		TOTAL	%
	Team Leader	Deputy Team Leader	Senior Experts	Junior Experts		
Activity 0: Inception Phase, Project Management and Reporting	64	34	0	0	98	36,03
Activity 1: Initial Training in 8 Fields	36	18	20	21	95	34,93
Activity 3: Business Survey	25	38	0	0	63	23,16
Activity 4: Information to Business Community	0	16	0	0	16	5,88
TOTAL	125	106	20	21	272	100

Note: The discrepancy in resources (man days) planned and used is insignificant and is mainly because the Inception Report took end of March as the planned end of activities in the first reporting period. Since various state bodies have been involved in the preparation of training and Mini Guides for Activity 1, fewer STE man days have been consumed than originally anticipated.

2.3 Progress Made (including Review of Project Indicators)

Significant progress has been made in implementing the BIZimpact Project. There is no need to regurgitate the detailed analysis that has already been set out in the preceding chapter. The main elements of progress can be summarised according to the 4 activities of the Project:

Activity 1: Initial Training in the Eight Legislative Fields

This activity has required very significant organisation and coordination, since it has involved eight events over an eight-week period. This required coordinating with the five beneficiaries in terms of ensuring that there were participants for the training, commissioning STEs to do part of the work (four out of eight training sessions and mini guides), as well as liaising with state bodies who undertook to prepare the training and mini guides in the fields that they are responsible for. In addition, the BIZimpact Project had to ensure that relevant stakeholders in each of the eight fields of activity attended the training and made presentations at the events. Overall, the training seminars achieved a very good turnout involving not only beneficiaries based in Zagreb, but also from many of the counties.

The main progress made includes:

- A plan for better Project positioning has been prepared.
- A training plan has been prepared.
- One international and four national STEs have been commissioned.
- Four state bodies have delivered the rest of the training programme.
- All eight training sessions have been delivered
- 34 representatives from 27 state bodies and public institutions have participated in the training events.
- In all, some 240 people have participated in the training events.
- All presentations are available on the Project website www.bizimpact.hr
- Six out of the seven Mini Guides are available in draft form (competition policy and state aid have been combined in one guide). The seventh (public procurement will be available in April-May 2008).
- The EU Info Centre's visibility has been raised as a result of the series of eight training events.

All the work anticipated in the Inception Report for Activity 1 has been implemented. The next stage of the activities involves finalising the draft Mini Guides before the end of the Project by:

- Writing a foreword by MINGORP.
- Editing for readability.
- Putting into consistent DTP format.
- Incorporating the Impact Assessment case studies (where relevant).
- Incorporating the FAQs.
- Publication and dissemination.

The draft Mini Guides will be circulated at the forthcoming Šibenik SME Conference (29-31 May 2008) and will be available for dissemination through the Project website and beneficiary networks. The final Mini Guides will be published in the 4th Reporting Period.

Activity 2: Impact Assessment Methodology and Train the Trainers

The Inception Report foresaw some preliminary work in relation to Impact Assessment. This has been implemented largely according to expectations and, indeed, involved more work than originally anticipated.

The main progress made includes:

- Commissioning of Profs. Colin Kirkpatrick and Clive George, who are well-known IA experts from Manchester University, to lead the one-day IA workshop, prepare the draft IA Manual, conduct the IA one-week Training of Trainers and assist in the revision of the IA Manual once the IA case studies have been completed.
- Date agreed for IA one-day workshop: 15 April 2008, HOK HQ.
- Date for draft IA Manual: early June 2008.
- Dates agreed for IA TTT: 9-13 June 2008, HGK HQ.
- First Study Tour: 15-19 September 2008.
- Second Study Tour: planned for November 2008.
- IA case studies: starting in September 2008 and ending in summer 2009.

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- Identifying most of the participants from the beneficiaries (pending creation of MINGORP IA Unit).
- Letter of commitment from business associations regarding participation in the IA capacity building, Study Tours, case studies and cascading IA knowledge within their own organisations.

There is a slight delay in the delivery of the draft IA Manual and IA TTT, both due to the intense pressure of implementation during the reporting period. Neither delay will have a significant on the project implementation timeframe. Indeed, overall, more of the preliminary work has been completed in the 1st Reporting Period than had been anticipated in the Inception Report. The BIZimpact Project is, therefore, well placed to proceed with implementation of Activity 2 during the remaining Reporting Periods.

Activity 3: Business Information Needs Survey (BINS)

Likewise, all the activities foreseen for the 1st Reporting Period have been completed as anticipated even though it has involved significant effort on the part of the BIZimpact Project team to liaise and coordinate with the five beneficiaries and the eight sets of stakeholders, as well as Puls, the Market Research Agency that has been commissioned to undertake the “Before” BINS (BBINS) and “After” BINS (ABINS).

The main progress made includes:

- Recruitment of Puls as the Market Research Agency responsible for the BINS after a transparent and accountable tendering process.
- Finalisation and agreement of the BINS methodology with the beneficiaries and Puls.
- Extensive publicity campaign to maximise response rates to the survey, coordinated with MINGORP, HAMAG, HGK, HOK and HUP.
- Finalisation of BBINS questionnaire following a detailed process involving all the beneficiaries as well as the eight sets of stakeholders.
- Quality control of BBINS, including participation in piloting process, focus groups, etc.

The above represents the main output anticipated in the Inception Report. The BBINS Report will be available during the 2nd Reporting Period and the detailed process of awareness-raising, including presentation of the BINS results at six regional events (one more than originally anticipated) throughout Croatia and preparation of the communications strategy (see below) on the basis of the results.

Activity 4: Information to the Croatian Business Community

Since development of a detailed communications strategy and plan depends on the results of the “Before” BINS, most aspects of this activity can only start in the 2nd Reporting Period. However, initial research and preparations for development of the strategy have taken place and plans for providing communications training to the beneficiaries have been developed.

The main progress made includes:

- Identification of suitable communications counterparts in most beneficiaries.
- Initial assessment of their existing and planned communications activities and capabilities and those of important stakeholders in the eight fields.
- Questions to identify information needs and appropriate communications tools developed and included in “Before” BINS.
- Draft programme for communications training of beneficiaries at national and county level developed.
- Visits to six counties (Varaždin, Osijek, Karlovac, Slavonski Brod, Split and Rijeka) in order to meet with the county level structures that are likely to host the five regional BINS, training, etc. events.

2.4 Problems Encountered

No significant problems have been encountered that require a modification of the Project. The only issues worth noting are:

- Project Office: during the first three months of the Project, the space allocated to the Consultant was inappropriate since it was not a self-contained office and did not have daylight. The current office is better; however, new windows will need to be put in if it is to be a productive environment and the lack of air conditioning will need to be overcome if the project is to be productive during the summer. We consider this to be a priority from the point of view of Health and Safety at work and will seek ECD and CFCA support in this matter, should MINGORP fail to resolve the problem in the near future.

- Election and post-election period: the MINGORP State Secretary responsible for enterprise issues has remained in office, and there has to date been no change in senior management responsible for the Project. A major organisational restructuring of MINGORP is, however, underway that will also have implications for the Project. The early indications are that this may work in the Project's favour since a new Impact Assessment Unit within the Minister's Cabinet is expected to be created. This would act as the main counterpart for the BIZimpact Project's IA activities.
- Lack of IA human capital at MINGORP: the Project has struggled to identify civil servants to be involved in the IA part of the activities. There currently appears to be only two such individuals with the interest and background to participate in this work. However, since the decision to create an IA Unit within the Minister's Cabinet, this problem is likely to be solved. It is anticipated that the IA Unit will have 6-7 staff and it is expected that these will be recruited before the main IA activities begin in the 2nd Reporting Period.
- State bodies and training and Mini Guides: it was stressed during the Inception Period by the EC Delegation that for Activity 1, the Project should use state administration organisations to deliver the training and prepare the mini guides whenever possible, rather than commissioning STEs for this purpose. The BIZimpact Project has followed this guidance and has worked closely with the Public Procurement Office (public procurement), State Intellectual Property Office (intellectual property rights) and Croatian Competition Agency (competition policy and state aid). This has involved a significant coordination effort; however, the Consultant is not in a position to exert quality control on the training content or the nature of the Mini Guide in quite the same manner as in the case of commissioned STEs. This resulted in postponement of one training event at short notice, agreement to deliver the training but not the mini guide in one case, delays in delivery of the draft mini guides and is likely to lead to some variation in the quality of the Mini Guides produced.

Overall, the problems encountered have been relatively minor and the implementation is on schedule.

2.5 Respect of, and Contribution to, Overarching Policy Issues

The Inception Report noted that the Project contributes to three main overarching policy issues:

- Progress towards Membership of the EU.
- Progress towards implementing an Impact Assessment capability.
- Progress towards better information, communication and dialogue with the enterprise sector.

There has been no change in relation to the main issues that the Project contributes to.

2.6 Linkage with Other Operations, Complementarity and Coordination Between Donors

Regarding the linkage with other operations we refer to Section 1.3, which describes the other relevant projects, the synergies and the envisaged coordination with other operations and donors in order to avoid overlaps.

3 DETAILED WORK PLAN (NEXT IMPLEMENTATION PERIOD)

As set out in the Inception Report and agreed with the Project Steering Committee and the beneficiaries, during the second six-month implementation period, the activities that will be prioritised will be Activities 2, 3 and 4. This is illustrated in the Table below.

Activity	Start	Finish	2008					
			Mar	Apr	May	Jun	Jul	Aug
Kick off meeting	17-Sep-07							
Inception phase	17-Sep-07	17-Nov-07						
1. Initial Training in 8 Legislative Fields	17-Nov-07	31-Mar-08						
2. Impact Assessment (IA) Methodology & TTT	1-Apr-08	31-Jul-09						
3. Business Information Needs Survey (BINS)	17-Nov-07	31-Jun-08						
4. Information to Business Community	17-Nov-07	31-Sep-09						
Progress Reports	1-Feb-08	31-Mar-09	★					
Project steering committees	1-Dec-07	1-Jul-09	★					
Final Report	15-Jul-09	16-Sep-09						
Completion of project		16-Sep-09						

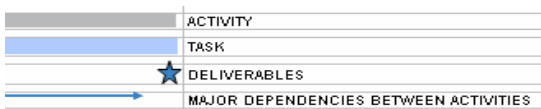
3.1 Results to be Produced by End of Period

Based on the above, the following results are expected to be produced by the end of the period:

	Activity	Task	Result to be produced
2	Impact Assessment	2.1	Prepare legislative IA Manual.
		2.2	Organise one-day presentation on the IA methodology and identify possible sector and sub/sectors for the IA studies.
		2.3	Deliver one-week TTT on legislative IA.
		2.4	Undertake two Study Tours to EU countries.
		2.5	Support in performing 5+ impact analysis studies.
3	BINS	3.4	Undertake "Before" BINS.
		3.6	Undertake visibility events to present BINS results throughout country.
4	Information & communication	4.1	Preparation of awareness-raising methodology / plan
		4.2	Preparation and implementation of the awareness-raising campaign
		4.3	Development of Public-Private Dialogue
		4.4	Training Information Officers in all counties
		4.5	Evaluation of the awareness-raising campaign

3.2 Activity Schedule, including Milestones and Responsibilities

Activity/Task	Major Deliverables	Timeline					
		8 APR	9 MAY	10 JUN	11 JUL	12 AUG	13 SEP
Task 0.1. Establish Project Office	Project Office fully equipped						
Task 0.2. Recruit Local Support Staff	Project Office fully staffed						
Task 0.3. Meet Relevant Institutions and Stakeholders	Contribute to Positioning Plan & Training Plan						
Task 0.4. Ensure Project Visibility	Internal project launch						
Task 0.5. Initiate discussions with Market Research Agencies	Transparent tendering exercise						
Task 0.6. Prepare Inception Report	Inception Report						
Task 0.7. Monthly Reporting	Monthly Report	★	★	★	★	★	★
Task 0.8. Progress Reports (three 6 monthly reports)	Six-monthly Progress Reports					★	★
Task 0.9. Project Steering Committee (6 months)	Approval of Inception, Progress and Final Reports	★					
Task 0.10. Final Report	Final Report						
Task 0.11. Managements, coordination, etc.							
Activity 1: Initial Training in 8 Legislative Fields							
Task 1.1 Develop a Positioning Plan	Positioning Plan						
Task 1.2 Develop a Training Plan	Training Plan						
Task 1.3 Commission International / Local Experts	STEs commissioned for specific inputs						
Task 1.4 Prepare training materials / draft mini guides	Training materials (Croatian and English) / draft mini guides (English)	★					
Task 1.5 Deliver training in 8 fields	6 seminars in Zagreb	★					
Activity 2: Impact Assessment (IA) Methodology & Train the Trainers							
Impact Assessment Methodology							
Task 2.1 Prepare Legislative IA methodology and draft Manual	Draft legislative IA methodology and Manual		★	★			
Task 2.2 Prepare One Day Presentation	1-day presentation to agree IA methodology and 5 studies	★					
Train the Trainers							
Task 2.3 Deliver one Week TTT on IA	Select TTT participants and deliver training to 10-15 participants			★			
Task 2.4 Undertake 2 Study Tours to 2 EU Countries	Study tours to 2 EU countries for at least 15 individuals						★
Task 2.5 Support in Performing 5 IA Studies	Minimum of 5 IA studies performed with sectoral/sub-sectoral orientation						
Task 2.6 Revise and publish IA Manual	IA Manual published in English and Croatian and disseminated widely						
Task 2.7 Cascade IA Training	Trainers deliver IA training with own organization						
Activity 3: Business Information Needs Survey (BINS)							
Task 3.1 Recruit Market Research Agency	Winning tender selected, evaluation report prepared, contract negotiated						
Task 3.2 Prepare and finalise BINS methodology	Survey, focus group and individual interview questions finalised and						
Task 3.3 Publicise BINS to maximise cooperation and participation	Awareness-raising with beneficiaries and stakeholders						
Task 3.4 Undertake "Before" BINS	Baseline study completed with focus on policy recommendations	★	★				
Task 3.5 Undertake "After" BINS	Comparative study completed with focus on impact and progress						
Task 3.6 Undertake BINS visibility events to present results	7 visibility events, communication work with beneficiaries & stakeholders		★				
Activity 4: Information to Business Community							
Task 4.1 Preparation of awareness-raising methodology / communications plan	Awareness-raising methodology and information plan			★			
Task 4.2 Implementation of awareness-raising methodology / communications plan	Implementation of specific activities (to be defined in communications						
Task 4.3 Development of public-private dialogue	Establish dialogue forum around project priorities, meetings				★		
Task 4.4 Training information officers	Training delivered to minimum of 21 information officers					★	
Task 4.5 Evaluation of awareness-raising campaign	Evaluation report connected with BINS and other relevant information						



3.3 Special Activities to Ensure Sustainability (if any)

None envisaged.

3.4 Assumptions and Risks

There are no additional assumptions and risks beyond those already identified in section 2.6 above.

3.5 Resource Schedule

Activity / Task	Key Experts		STEs		TOTAL	%
	Team Leader	Deputy Team Leader	Senior Experts	Junior Experts		
Activity 0: Inception Phase, Project Management and Reporting	59	10	0	0	69	20,78
Activity 1: Initial Training in 8 Fields	15	5	5	0	25	7,53
Activity 2: Impact Assessment	15	15	76	30	136	40,96
Activity 3: Business Survey	15	20	0	0	35	10,54
Activity 4: Information to Business Community	5	30	22	10	67	20,18
TOTAL	109	80	103	40	332	100

4 SUSTAINABILITY (BACKGROUND AND PRESENT SITUATION)

Croatia has made significant progress in terms of preparation for accession to the EU and improvements have also been made in the general business environment in the period since the ToR was written. Although these developments are commendable, further strengthening of information dissemination, communication and dialogue, as well as legislative Impact Assessment capabilities, is needed both among the BIZImpact Project beneficiaries, as well as the wider stakeholders. In order to ensure that the four activities that make up this Project are sustainable, we consider below the likely scenarios, according to the predefined categories.

4.1 Participation and Ownership by Beneficiaries

Several of the Project beneficiaries have been closely involved in the four year gestation period of this Project and the participation and ownership has been maintained by them during the initial implementation phase. Efforts have been made by the Consultant to ensure an intensive level of participation and ownership by MINGORP, HGK and HUP during the Inception Phase of the Project. The beneficiaries have participated in the Kick Off meeting, individual meetings, Project launch, discussions with ECD and other stakeholders, as well as a discussion on the content of the Inception Report, prior to its submission on 19 November 2007. Following approval of the Inception Report, HAMAG and HOK formally obtained beneficiary status and have been full members of the Project since the first Project Steering Committee on 03 December 2007.

A General Election was held on 25 November 2007, resulting in formation of a new coalition Government. It is anticipated that the participation and ownership of the Project will be increased upon appointment of the State Secretary (Ms Tajana Kesić Šapić, Entrepreneurship Division) and the new Directors (to be appointed for the SME and Crafts Departments) of MINGORP. An organisational reform process is also underway at MINGORP, but this is likely to be positive for the Project, as it is likely that a new IA unit will be established within the Minister's Cabinet. The commitment to the Project has been strengthened as far as the beneficiaries are concerned. A meeting was called by the State Secretary, Ms Tajana Kesić Šapić, for all beneficiaries as a means of reminding the institutions of the role of the Project. All beneficiaries are expected to participate at the Project launch on 07 May 2008.

4.2 Policy Support

There is currently a lack of well-developed policy and strategy as far as information provision, communication and consultation with SMEs is concerned in Croatia. On the other hand, there is consistent and widespread recognition on the part of all the Project beneficiaries that the information and implementation gap are urgent issues to address. This degree of policy support on the part of the beneficiaries bodes well for the sustainability of the Project, not least because this is underlined by a willingness to generate greater levels of cooperation and coordination at various levels: between MINGORP and HAMAG; between government and business associations; between business associations; and between business associations and individual SMEs. This offers the prospect of BIZImpact activities being sustainable beyond the Project's end.

In addition to the five Project beneficiaries, the various line ministries and government agencies associated with the eight fields of legislation acknowledge the existence of the previously discussed information and implementation gap. They also support the need for the SME stakeholders to develop more effective communication tools in order to ensure that Croatian enterprises, especially small enterprises, implement the EU Directives, national laws, regulations and standards.

The Project also envisages establishing collaboration with other stakeholders such as the regional development agencies, 21 counties and business development service providers. The Consultant recognises that it is essential to gain the policy support of this set of stakeholders, as well as their commitment to develop effective communication and information dissemination, as this will enhance the prospect of sustainability of the activities initiated by the Project. Consequently, meetings have already been held in 6 counties with the beneficiaries as well as related potential Project partners:

- Slavonski Brod, 22 January 2008.
- Osijek, 23 January 2008.
- Karlovac, 30 January 2008.

- Rijeka, 31 January 2008.
- Varaždin, 12 February 2008.
- Split, 20 March 2008.

4.3 Appropriate Technology

The BIZimpact Project does not involve the use of specialist technology; however, it is anticipated that innovative methods and techniques will be developed, consistent with international best practice, in order to undertake legislative IA and enhance information provision and communication between governmental bodies, agencies, business associations and enterprises. It is anticipated that less reliance will be placed on the use of websites and more emphasis on linking up and networking the various players in the SME policy field in order to enhance information, dialogue and communication. This will increase the chance of Project activities being sustainable beyond the lifetime of the Project.

4.4 Socio-cultural Aspects

SMEs account for 99% of Croatian enterprises and employ some 60% of the labour force. It is, therefore, critical to strengthen the competitiveness of this sector, as it impacts upon the wealth and well-being of Croatian society. The BIZimpact Project recognises that there is also a regional dimension to SME development in Croatia and that information needs to be less concentrated in the Zagreb area. Consequently, an emphasis will be placed on ensuring that SMEs throughout the 21 counties benefit from more effective information flows in relation to the eight legislative fields covered by the Project. In terms of sustainability, the Project will contribute indirectly to the development of a culture of entrepreneurship and thus more competitive enterprises throughout the country.

4.5 Gender Equality

Across the EU it has been observed that women, as entrepreneurs, may be treated differently from men, for example in relation to access to start-up finance such as bank credit. Normally, EC Projects would undertake to ensure that there is a gender balance in relation to issues such as capacity building, Study Tours, etc. However, the initial indications suggest the women actually comprise the large majority of likely participants in Project activities from the beneficiary organisations. Nevertheless, there will be a gender focus to the Project. For example, the BINS sample will be stratified by gender, to ensure that relevant policy recommendations are extracted and fed into the awareness-raising campaign and other Project activities.

4.6 Environmental Protection

One of the legislative fields covered by the Project is environmental protection. Encouraging SMEs to better understand the EC and national requirements in this respect will assist Croatian enterprises to comply with the rules, thus helping indirectly to attain the objective of sustainable development.

4.7 Institutional and Management Capacity

MINGORP is responsible for SME policy development in Croatia. It also has responsibility as far as Economic Impact Assessment is concerned; however, the ministry lacks the necessary tools, know-how and management capacity to implement the anticipated role in relation to legislative / regulatory Impact Assessment. Although the current institutional capacity of MINGORP is insufficient to fulfil perform this function, this Project has already contributed towards the development of an Impact Assessment capability, through discussions with the SPO stressing the need for MINGORP to establish an IA Unit, since it is responsible for the Economic IA. This appears to be in the process of being created as part of the Minister's Cabinet. The BIZimpact Project will help build the capacity of the IA Unit, thus ensuring that it can perform its role effectively in future.

The same lack of institutional and management capacity applies to the other Project partners, namely HAMAG, HUP, HGK and HOK. Participating in the Project, including the focus on training of trainers and the 5+ IA studies, will contribute to ensuring that all beneficiaries develop skills and experience with IA, such that they will be able to operate independently of the Consultant at the Project's end.

The BIZimpact Project will also contribute to improving the capacity of the beneficiaries

4.8 Economic and Financial Viability

All activities are to be funded through the Project and no financial or economic contribution is required of the Project partners, other than in-kind support, such as their time and commitment. Consequently, economic and financial viability considerations are not of importance in this Project.

To conclude, the BIZimpact Project will contribute towards a nascent but growing emphasis on the issue of Impact Assessment. The future sustainability of Impact Assessment in the country is not dependent on the success or otherwise of this Project. However, successful implementation of this Project will contribute significantly to SME development in the country through more effective regulations, better of ex ante and ex post Impact Assessment, as well as improved information communication and dissemination in relation to eight critical areas of economic legislation. More effective IA capabilities, combined with better communication and information dissemination, will enhance Croatia's business environment, competitiveness and culture of entrepreneurship.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions on Implementation (including Critical Issues / Risks)

The purpose of the BIZimpact Project is to strengthen the capacity for policy makers, especially MINGORP and HAMAG, and business organisations, especially HGK, HOK and HUP, to be able to identify, analyse and communicate future impact of key regulatory areas for business in Croatia and to improve the awareness of the business community regarding the eight legislative areas covered by the Project (namely consumer protection, environmental protection, standards for agricultural / industrial products, public procurement, state aid / competition policy and intellectual property rights).

In seeking to achieve the Project purpose, the Technical Assistance Team expects to be able to achieve 3 main results by the end of the BIZimpact Project, namely:

1. Strengthen the capacity for policy makers and business organisations to identify, analyse and communicate future impact of key regulatory areas for business in Croatia.
2. Improve awareness of the business community on the eight key legislative fields.
3. Achieve measurable changes in quality of information and public-private communication.

The overall conclusions on implementation is that the Project is not only proceeding according to plan, it is actually overachieving compared with the plans set out in the Inception Report.

5.2 Recommendations for Next Implementation Period

The Project Steering Committee (PSC) was established during the current implementation period in order to supervise the BIZimpact Project, including approval of the Inception Report, Progress Reports and Final Report.

The first PSC was held on 03 December 2007 to discuss and approve the Inception Report (see Annex 6.3 for the minutes). The next PSC is scheduled to take place on 04 April 2008 to discuss and hopefully approve the 1st Progress Report. Following agreement with CFCA, a further 3 PSC meetings are planned to assess Project progress, associated with the forthcoming Progress Reports for which PSC approval is required.

During the 1st Reporting Period, very good collaboration has been established with MINGORP, the main Project partner, as well as the other four beneficiaries, namely HAMAG, HGK, HOK and HUP. Regular meetings, communication and discussions take place on key aspects of implementing the Project. The activities have been very intense during the 1st Reporting Period and it is anticipated that this will become less so in the remaining Reporting Periods.

Apart from the timing of certain tasks as described in this Report, no major changes in implementation of the Project are recommended by the Consultant.

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