

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

# **Improving Information to the Croatian Business Community**

EuropeAid/121473/C/SV/HR

*Progress Report 2*

*30 September 2008*



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## REPORT COVER PAGE

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## GLOSSARY OF ACRONYMS

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

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## PROJECT SYNOPSIS

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

- 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 (UK and Poland) to study their Impact Assessment methodologies and carrying out a minimum of five "live" Impact Assessments for the businesses most affected by the previously mentioned legislative areas.

**Activity 3** focuses 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) identifies 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 also develops 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.

**Activity 4** focuses 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 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 2<sup>nd</sup> Progress Report covers the period from 17 March 2008 up to 16 September 2008.

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

### ***Activity 1: Initial Training in the Eight Legislative Fields***

As reported in the 1<sup>st</sup> Progress Report, the progress previously made includes:

- A plan for better Project positioning has been prepared.
- A training plan has been prepared.
- 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.
- The EU Info Centre's visibility has been raised as a result of the training events.
- All presentations are available on the Project website [www.bizimpact.hr](http://www.bizimpact.hr)
- All seven Mini Guides are available on the Project website [www.bizimpact.hr](http://www.bizimpact.hr)

During the Reporting Period of the 2<sup>nd</sup> Progress Report, the following progress has been made:

- All Mini Guides were edited for readability and accessibility by entrepreneurs.
- All Mini Guides were converted into a consistent DTP format and put on the Project web site.
- All Mini Guides were circulated to at least 4,716 email addresses (including HGK members, HOK members, HUP members, BDS organisations and local authorities).
- Mini Guides were distributed at the annual national SME Conference (Šibenik, 29-31 May 2008).
- Two additional training sessions for SMEs were coordinated focusing on Public Procurement and State Aid (annual national SME Conference, Šibenik, 30 May 2008).
- MINGORP paid for the publication of 500 copies of each of the intermediate Mini Guides.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Incorporate the Impact Assessment Case Studies (where relevant).
- Incorporate the FAQs and answers.
- Up-date, print and disseminate the Mini Guides.

### ***Activity 2: Impact Assessment Methodology and Train the Trainers***

As reported in the 1<sup>st</sup> Progress Report, preliminary activities included:

- Commission Prof. Colin Kirkpatrick and Mr. Clive George as STEs for the one-day IA workshop, IA Manual, one-week IA Training of Trainers and revision of the IA Manual upon completion of Case Studies.
- Agree dates for IA one-day workshop: 15 April 2008, HOK HQ; one-week IA TTT: 9-13 June 2008, HGK HQ; and the Study Tours: UK in September 2008 and Poland in November 2008.

During the 2<sup>nd</sup> Reporting Period, significant progress was made in implementing this activity, including:

- Delivery of the one-day workshop on IA: 15 April 2008, 23 participants.
- Delivery of the one-week TTT on IA: 9-13 June 2008, 22 participants.
- Delivery of the draft of the IA Manual in June 2008 and the full version in mid-September 2008.
- Selection of the 15 Study Tour participants from the Beneficiaries.
- 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.
- Organisation and delivery of the UK Study Tour during 9-13 June 2008 (15 Beneficiaries).
- Initiation of preparation of Poland Study Tour during 17-21 November 2008 (15 Beneficiaries).
- Selection of potential 5 IA Case Studies based on sectoral orientation, where relevant.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Poland Study Tour during 17-21 November 2008.
- Undertaking 5 IA Case Studies (during October 2008 – July 2009).
- Incorporation of IA Case Study material in Mini Guides, where relevant.
- Revision of IA Manual, followed by publication.

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### **Activity 3: Business Information Needs Survey (BINS)**

As reported in the 1<sup>st</sup> Progress Report, the progress previously made included:

- Recruitment of the market research agency Puls to perform the BINS after a transparent and accountable tendering process.
- Agreement and finalisation of the BINS methodology with the Beneficiaries and Puls.
- Publicity campaign to maximise response rates to the survey, coordinated with MINGORP, HAMAG, HGK, HOK and HUP.
- Finalisation of the “Before” BINS questionnaire following involvement the Beneficiaries and stakeholders.
- Quality control of “Before” BINS, including participation in piloting process, focus groups, etc.

During the 2<sup>nd</sup> Reporting Period, significant progress was made in implementing this activity, including:

- Completion of the field work in March 2008.
- Delivery of the first draft of the “Before” BINS on 28 April 2008.
- Presentation of the “Before” BINS to the Beneficiaries on 5 May 2008.
- Coordination of feedback from Beneficiaries and stakeholders on the draft “Before” BINS survey.
- Delivery of final “Before” BINS in June 2008.
- Translation of “Before” BINS into English / Croatian.
- Presentation of the “Before” BINS at the six regional conferences (Zagreb: 7 May, 103 participants; Osijek: 14 May, 44 participants; etc). This was one more event that anticipated in the Inception Report.
- Preparation of 10 articles / papers to publicise various aspects of the “Before” BINS.
- Presentation of the “Before” BINS to the Croatian Competitiveness Council: 11 June 2008.
- Detailed discussions with Beneficiaries and stakeholder organisations on the results on the “Before” BINS as the basis for the preparation of the Communications Strategy and Action Plan.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Discussions with Puls regarding the “After” BINS, including possibility of refocusing the content of the survey to add more value to policy development for the SME sector.
- Supervision of key aspects of the fieldwork.
- Feedback on the first draft of the “After” BINS report.
- Translation of the “After” BINS
- Upload “After” BINS to BIZimpact and other relevant web sites.
- Delivery of the “After” BINS results at the Final Conference of the BIZimpact Project.
- Preparation of media materials setting out progress made, if any.

### **Activity 4: Information to the Croatian Business Community**

As reported in the 1<sup>st</sup> Progress Report, the progress previously made included:

- 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 BINS regional conferences, training events, etc.

During the 2<sup>nd</sup> Reporting Period, further progress made in implementing this activity included:

- Establishment of a Communications Working Group (CWG) representing Beneficiaries to agree and then oversee implementation of the awareness-raising methodology and plan.
- Assessment of the existing and planned communications activities and capabilities of Beneficiaries and main stakeholders in the eight fields.
- Preparation and agreement by the CWG of a Communications Strategy setting out the aim and objectives to be achieved in the awareness-raising campaign.
- Preparation and agreement by the CWG of an Action Plan setting out in detail the activities to be undertaken and the resources, responsibilities and timescales during the awareness-raising campaign.
- Participation in the Public-Private Dialogue Forum.
- Six communications training courses held throughout Croatia, with a total of 52 participants.
- Development of measurements to evaluate and where required modify the awareness-raising campaign.

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During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Implementation of the Communications Strategy and Action Plan, including the following:
  - Evaluation of the internal and external communications of Beneficiaries and recommendations for improvement.
  - Information and training events in all regions of Croatia on the themes covered by the BIZimpact Project, including specific information and training on the eight fields in selected pilot regions.
  - Distribution of the Mini Guides and other materials.
  - Media briefings and coverage concerning the themes covered by the BIZimpact Project and the eight fields.
  - Establishment of local working groups to support pilot implementation in the regions of Croatia.
  - Evaluation of the awareness-raising campaign and modifications, where necessary.
- Ongoing participation in the Public-Private Dialogue Forum.
- Further communications training courses for Beneficiaries and stakeholders.

# 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 Small Business Directorate at MINGORP represents a key pillar of the business institutional framework. It is responsible for developing and implementing small business policy within the framework of the Charter for Small Business and the State Aid (Incentive) Programme for small and medium size enterprise 2008-2012 as well as a series of Annual Work Plans. The Small Business Directorate has undergone a functional review which resulted in a more streamlined structure for enterprise support. Two notable features of the new institutional structure of MINGORP is that i) a Department of Impact Assessment and Macroeconomic Policy has been nominally created in the Minister's Cabinet and ii) the Small Business Directorate has created an Analysis and Impact Assessment Unit to coordinate Impact Assessment activities relating to enterprise matters. These are positive developments as far as the BIZimpact is concerned and should result in a clear focus for the IA capacity-building activities. However, the relevant staff has still not been recruited.

**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 (approximately 70,000) 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 former 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. The EICC structure was re-launched in September 2008 as the Enterprise Europe Network in Croatia. 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 (including an SME Association) and regional offices in Split, Osijek and Rijeka to support members at the local level. HUP employs 35 people and has 6,000 members.

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

- Consumer protection: Consumer Protection Directorate, MINGORP.
- Environmental protection: Ministry of Environmental Protection, Physical Planning and Construction (MEPPPC).
- Standards for agricultural products: Ministry of Agriculture, Fisheries and Rural Development (MAFRD), Croatian Food Agency and Croatian Standards Institute.
- Standards for industrial products: MINGORP and Croatian Standards Institute.
- Public procurement: Public Procurement Directorate, MINGORP.

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- State aid / Competition policy: Croatian Competition Agency.
- Intellectual property rights: State Intellectual Property Office, MINGORP.

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).

Furthermore, a **Communications Working Group** has been formed, comprising representatives of Project Beneficiaries, to oversee the preparation and implementation of the Communications Strategy and Action Plan.

## 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: Mr Vlatko Martinović.

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 / Mr Siôn Morton, PCA.
- Key Expert 1: Dr Ricardo Pinto, Team Leader.
- Key Expert 2: Mr Chris McLean, Deputy Team Leader and Communications Expert.
- Project Staff 1: Mr Damir Azenić, Administration, bookkeeping and IT.
- Project Staff 2: Ms Lana Dodig, Interpretation/translation and administration.

Ms Ana Ilijić resigned from the Project in July 2008. We are grateful to Ms Ilijić for her commitment and contribution to the implementation of the Project during the first year of operations and wish her success in her future career. Following an application, interview and testing process, Ms Lana Dodig was appointed as the Project interpreter/translator in late August 2008. Since the staff change occurred during the summer, there was minimal impact on Project delivery.

The Project Office is located within MINGORP premises 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 are supported by in-country experts and comprise the provision of administrative support in-country; technical and logistical support; monitoring of management and administrative systems, management of the Incidentals 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, the 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 Public-Private Dialogue Forum for the SME sector (BIZimpact has assisted SMEPED with the creation of the Public-Private Dialogue Forum and contributes to the meetings of the Forum), as well as capacity-building for Impact Assessment (meetings to coordinate activities). Informal meetings held regularly to coordinate workshops, Study Tours, etc. to avoid overloading the Small Business Directorate.
- **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 are held regularly (e.g. in relation to the Mini Guides, communication with enterprises, Impact Assessment, etc.) in order to coordinate activities.
- **Development of Regulatory Impact Assessment, Twinning IPA 2007, EU:** this project is expected to 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 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 was expected to start in mid-2009 at the earliest, but there are now indications that it is not likely to proceed at all, since the project preconditions have not been fulfilled by the relevant state bodies. Cancellation of this project has not yet been confirmed.

## 2 PROJECT PERFORMANCE AND IMPACT

### 2.1 Activities Planned and Implemented

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	Sep
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							

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 one Study Tour to an EU country.
		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 strategy / 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

Each of the issues highlighted above is discussed in greater detail. It should be noted that 2.5 Support in performing 5+ impact analysis studies and 4.5 Evaluation of the awareness-raising campaign were included erroneously in Progress Report 1. The former will be implemented in the 3<sup>rd</sup> Reporting Period and the latter can only meaningfully be carried out during the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods of Project implementation.

## 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**

Task 1.1 has been completed, as reported in Progress Report 1.

#### 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**

Task 1.2 has been completed, as reported in Progress Report 1.

#### 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**

Task 1.3 has been completed, as reported in Progress Report 1.

#### 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**

Task 1.4 has been completed, as reported in Progress Report 1.

#### 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

Task 1.5 has been partially completed, as reported in Progress Report 1.

During the Reporting Period, the seven Mini Guides were prepared on the eight legislative themes (competition policy and state aid were combined into one guide). Moreover during the current Reporting Period, the Consultant undertook a number of additional activities:

- Preparation of seven draft Mini Guides in electronic form (see Annexes 1 to 7).
- Uploading the Mini Guides to the Project website [www.bizimpact.hr](http://www.bizimpact.hr)
- Dissemination of electronic Mini Guides to SMEs by email:
  - 4000 members of HUP.
  - 3000 members of HGK.
  - 226 members of HOK.
  - 352 public institutions.
  - 138 business development service providers.
- Publication of 500 printed copies of each intermediary Mini Guide, funded by MINGORP.
- Coordination of presentations on Public Procurement and State Aid and circulation of Mini Guides at the national SME conference in Šibenik on 30 May 2008.

During the next two implementation periods, the following will also be carried out (see also Activity 4 below):

- Updating of the 7 Mini Guides, including liaising with the relevant stakeholders: *3-4<sup>th</sup> Reporting Periods*
- Inclusion of FAQs and answers for the 7 Mini Guides: *3-4<sup>th</sup> Reporting Periods*
- Inclusion of Impact Assessment work, where relevant: *3-4<sup>th</sup> Reporting Periods*
- Printing approx. 10,000 copies of each of the finalised Mini Guides: *3-4<sup>th</sup> Reporting Periods*
- Dissemination of printed Mini Guides: *3-4<sup>th</sup> Reporting Periods*

### 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. **Completed**

## 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 BIZimpact Project places emphasis on legislative Impact Assessment in relation to the enterprise field. The

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Inception Report stressed the need for the legislative IA methodology and Manual to be based on OECD/EU country methodologies (such as the United Kingdom which has placed emphasis on Impact Assessment for the business sector, including guidance on Impact Assessment and the transposition of EC Directives), but customised to the Croatian specificities. The focus is on the creation of a practical “how to” Manual to assist MINGORP and the other Project Beneficiaries to conduct legislative Impact Assessment.

During the 1st Reporting Period the emphasis was on selecting suitably qualified national and STEs not only with experience of IA; but also enterprise development and sectoral studies. The following were approved by MINGORP and CFCA, and contracted by the Consortium:

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

Prof. Kirkpatrick and Mr. George were responsible for:

- Preparation of methodology (based on the ToRs presented in Progress Report 1). See task 2.2. below.
- Preparation of the draft IA Manual: the IA Manual was prepared following the one-day IA Workshop. The first version was presented to the Beneficiaries at the IA one-week TTT. The training was geared around the structure of the draft IA Manual. Based on the feedback obtained from Beneficiaries and other relevant Croatian institutions, the draft IA Manual was modified and customised. The IA Manual was delivered in mid-September 2008, including a small business / sectoral orientation (see Annex 8) and translated into Croatian (see Annex 9). It should be noted that the IA Manual will be revised in the light of the experience of the 5 IA Case Studies to be carried out during Reporting Periods 3 and 4.
- Preparation and delivery of the one-day workshop (see Task 2.2. below).
- Preparation and delivery of the one-week TTT (see Task 2.3. below).

**Box 1: IMPACT ASSESSMENT MANUAL: A step by step guide for civil servants, business and civil society participants (see Annex 8)**

1. Introduction
  2. The IA Procedure in Croatia
  3. Steps in Undertaking an IA
  4. Problem Identification and Objectives
  5. Policy Options
  6. Consultation and Data Gathering
  7. Assessing Impacts
  8. Compliance and Enforcement
  9. Monitoring and Evaluation
  10. Preparing the IA report
- Annex 1. Format of Impact Assessment Report  
Annex 2. Applying IA to EU Harmonisation  
Annex 3. Guidance on Consultation  
Annex 4. Economic Valuation Methods

It should be noted that it was originally anticipated that sub-tasks 2.1.4. and 2.1.5. would be completed in the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Period respectively. However, both of these have been completed earlier, ready for the IA Case Study work to follow in the 3-4<sup>th</sup> Reporting Periods.

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). *Completed*
- 2.1.3. Prepare first draft of the IA Manual in English. *Completed*
- 2.1.4. Prepare first draft of the IA Manual in Croatia. *Completed*
- 2.1.5. Disseminate first draft of the IA Manual to Beneficiaries. *Completed*

**Task 2.2. Organise One-day Presentation**

A key step in the process of developing the IA Manual was to prepare a best practice-based methodology, customised to the particular situation in Croatia and to present it to stakeholders at a one-day presentation for feedback.

Based on the discussions with the Beneficiaries, it was agreed that each would nominate up to five people to participate in the workshop. In the end, 23 people attended the one day workshop, which was organised in cooperation with HOK and took place on 15 April 2008. The participants were from the Beneficiary organisations (see Annex 10 for a list of attendees).

**Table 1: Information for the One Day IA Workshop Course**

TTT Course	Nr confirmed	Nr participated
Venue: HOK, Zagreb, Date: 15 April 2008	25	23

Prof. Colin Kirkpatrick and Mr. Clive George undertook the first STE IA mission during 14-18 April 2008, primarily to lead the workshop and discussion. However, since their mission was also to collect information and materials for the preparation of the first draft of the IA Manual (see above), they also met with a variety of organisations (Annex 11 lists the organisations consulted). These meetings allowed further customisation of the IA methodology and assisted in the preparation of the IA Manual.

During the workshop, which followed the structure presented in Box 2 below, Prof. Kirkpatrick and Mr. George presented a detailed IA methodology based on some 80 slides covering international best practice in relation to IA in both EU member countries and European transition economies (see Annex 12).

<b>Box 2: IMPACT ASSESSMENT WORKSHOP</b>	
<b>Croatian Chamber of Economy, 15 April 2008</b>	
<b>Aims:</b>	
<ul style="list-style-type: none"> <li>- Provide an <b>overview</b> of IA issues.</li> <li>- Agreement about the nature of the IA <b>manual</b>.</li> <li>- Agreement about the IA 5 <b>Case Studies/sectors</b> to focus on</li> </ul>	
9:00 – 9:15	<b>Welcome and nature of workshop</b> Ricardo Pinto – BIZImpact Project Team Leader
9:15 – 10:15	<b>Impact Assessment - European Practice and Experience</b> Colin Kirkpatrick and Clive George <i>Session will provide an overview of the role of IA in evidence-based policy analysis, and will describe current practice and experience in the UK, EC and in a number of transition countries</i>
10:15 – 10:30	<b>Coffee break</b>
10:30 – 12:00	<b>An Integrated Impact Assessment Framework</b> Colin Kirkpatrick and Clive George <i>Session will explain the main stages and processes in undertaking IA, the stages of IA, concentration on the assessment and consultation stages</i>
12:00 – 13:00	<b>Lunch</b>
13:00 – 14:00	<b>An Evidence based Approach to Integrated Impact Assessment: Methods and Techniques</b> Colin Kirkpatrick and Clive George <i>Session 3 will focus on techniques for economic, social and environmental assessment</i>
14:00 – 14:15	<b>Coffee break</b>
14:15 – 15:00	<b>Discussion about nature and content of Croatian IA Manual</b>
15:00 – 16:00	<b>Discussion about selection of possible 5+ IA Case Studies/sectors</b>

Based on the feedback obtained during the one day workshop (and the one week TTT – see below), the IA methodology was finalised and the IA Manual produced. The feedback obtained from the Beneficiaries at the workshop was important in two other respects:

- IA methodology / Manual: it was agreed that the IA Manual should be short and concise, that it should be integrated in nature (economic, social, environmental and other dimensions), that it should be simple and step-by-step in nature, that it should refer to other Annexes and other relevant reference materials so that policy officers would be able to obtain additional materials and information, if necessary.

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- IA Case Studies / sectors and sub-sectors: it was agreed that the potential Case Studies and sectors / sub-sectors needed to connect with the Government of Croatia's legislative priorities for 2008. Out of the 117 measures, it was agreed that the following would be worth exploring further:
  - SME Promotion Act (2007) MINGORP.
  - Act on Payments Systems and/or Profit Tax (Ministry of Finance, Q4 2008).
  - Act on Conduct of Works Relating to Physical Planning, Expert Supervision and Construction Activity (Ministry of Environmental Protection, Physical Planning and Construction, Q3, 2008).
  - Act on Public-Private Partnership (Public Procurement Department, MINGORP, Q2 2008).
  - Act on Amendments to the Competition Law (Croatia Competition Agency, Q4, 2008).
  - Regulations on Waste Packaging (2006) Ministry of Environmental Protection, Physical Planning and Construction.

The process of determining the list of Case Studies and sectors has gone through several iterations involving:

- Discussions with Beneficiaries during the one-week TTT: see below – 9-13 June 2008.
- Discussions with MINGORP: with Project Manager and SPO.
- Discussion with SME Association of HUP: 4 July 2008.
- Discussion with IA Study Tour: May - workshop; June - TTT; September - preparation and Study Tour.
- Discussion with EC Delegation: 11 and 24 September 2008.

The outcome is agreement that most of the legislation studies affecting the small business sector and eligible for the IA Case Studies does not actually have sectoral / sub-sectoral implications. This led to the conclusion that there is a need to interpret the Project ToRs / Inception Report flexibly, since it does not make sense to have a sectoral / sub-sectoral dimension in relation to all the IA Case Studies. It has therefore been agreed to undertake a mixture of *ex ante* and *ex post* IAs and that the IA Case Studies should only involve a sectoral / sub-sectoral focus where this makes sense to do so.

#### Sub-tasks

- 2.2.1. Obtain feedback on the proposed IA methodology. *Completed*
- 2.2.2. Obtain feedback on the possible 5+ RIA Case Studies. *Completed*
- 2.2.3. Obtain feedback on the priority sectors and sub-sectors. *Completed*

### **Task 2.3. Deliver one-week TTT on Legislative IA**

Following the one-day IA workshop on the methodology (see above), Prof. Kirkpatrick and Mr. Clive George prepared two main documents which served as the basis for the one-week Train the Trainers (TTT) on IA:

- A draft IA Manual based on what was previously agreed with the Beneficiaries.
- A set of presentations, structured according to the IA Manual (see Annex 13 for the presentations and Annex 14 for the programme).

The one-week TTT was organised jointly with HGK, which provided facilities for the duration of the event. The IA Manual and IA presentations were designed to result in an effective transfer of knowledge to the Beneficiary institutions. The TTT involved a mixture of lectures, exercises and discussions to maximise the learning opportunity. Use of the same STEs to undertake the one-day methodological workshop, the IA Manual and the one-week TTT resulted in continuity as well as higher quality capacity-building.

The ToR of the Project foresaw 10 participants benefiting from the one-week TTT; and the Inception Report foresaw 15 participants. However, at the request of the Beneficiaries, the Consultant sought to involve 20+ people in the one-week TTT without any loss of quality. The Consultant liaised with the Beneficiaries to identify and select the most appropriate individuals. In the absence of staff in MINGORP's newly created Department for Economic Impact Assessment and Macroeconomic Analysis, the Consultant has concentrated on identifying participants from the Small Business Directorate in the first instance, though invitations to participate were also sent out to all Directorates of MINGORP.

The participants that expressed an interest in participating were required to obtain permission from their respective managers to commit time to the various IA activities, including participation in the:

- One-day IA workshop.
- One-week IA training.
- IA Study Tours.
- Some if not all of the IA Case Studies.

In the case of the business associations, letters have been obtained from their respective institutions regarding the above (see Annex 15), including a commitment to cascade the IA knowledge internally (in their HQs and regional offices, where relevant) following the IA workshop, Study Tours and Case Study activities.

As illustrated in Annex 14, the one-week IA workshop was delivered during 09-13 June 2008. The Consultant obtained 30 confirmations and 22 people participated in the training delivered principally by Prof. Kirkpatrick and Mr. George, with input from Dr. Pinto, the BIZimpact Team Leader. The list of participants is presented in Annex 16. All participants received a Training Certificate issued by the BIZimpact Project and signed by the trainers and the BIZimpact Team Leader (see Annex 17 for an example). This means that the Project delivered more than twice as many participants as anticipated in the Project ToR.

**Table 2: Information for the IA One Week TTT Course**

TTT Course	Nr confirmed	Nr participated
Venue: HGK, Zagreb, Date: 9-13 June 2008	30	22

The final session of the one-week IA workshop focused on obtaining feedback from the working group on the first draft of the IA Manual, including how best to incorporate the consultation issue in the Croatian context and the inclusion of a Small Business Test and sectoral issues into the IA Manual. This feedback was utilised by Prof. Kirkpatrick and Mr. George in preparing the final version of the IA Manual in September 2008.

Feedback / evaluation: The ratings for the one week TTT averaged 4.72 on a scale of 1 (poor) to 5 (very good).

1. TTT content: 4.6 (*5 = best score*)
2. Lecturers: 5.0
3. Materials and handouts: 4.8
4. Presentations: 4.6
4. Organisation of the TTT: 4.6

#### Sub-tasks

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

#### **Task 2.4. Undertake Two Study Tours to EU Countries**

An important tool for effective transfer of know-how is the Study Tour. Networking the Beneficiaries with IA institutions, policies, methods and systems in a practical way is an important element of capacity-building. It enables participants to develop the technical and theoretical content of IA through the one-week TTT and to put this into context by experiencing how the IA 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 also sought to cover these themes. Two Study Tours were budgeted for:

- To an “established” EU country 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 to discuss IA, evolution of IA systems, implementation needs, etc.

Following discussions with the IA experts with experience of EU member countries as well transition economies, namely Prof. Kirkpatrick and Mr. George, it was decided that the EU countries that are best placed to assist Croatia as Study Tour hosts are:

- United Kingdom: which has probably the most sophisticated IA system; it is considered by the EC and OECD to be a best practice example at the cutting edge of IA developments.
- Poland: which has introduced an IA system which is not yet fully embedded into the governmental structures; it is considered to be a good example of a country at an intermediate stage of IA development.

The Study Tours participants were identified on the basis of participation in the one-day and one-week IA workshops (see above). The following numbers were allocated (15):

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

- Three from HOK.
- Three from HUP.

In addition, the BIZimpact Team Leader and a member of the Project team were selected to lead the Study Tour as well as deal with organisational and logistical matters arising before and during the Study Tours.

In order to maximise the capacity-building benefits, it was agreed that broadly the same individuals would participate in both Study Tours. The exception is MINGORP, which is in the process of establishing a Department for Economic Impact Assessment and Macroeconomic Analysis. Should MINGORP recruit staff for this Department, priority will be given to these individuals to participate in the second Study Tour.

Although the Project ToRs anticipated very short Study Tours of three days, it was decided that this should be expanded to five days in order to maximise the benefits of the trips. Following discussions with CFCA, it was concluded that the five day Study Tours would be a more effective use of time and money without impacting on the other planned Project activities. This is another example of the BIZimpact Project delivering more than the minimum outputs specified in the ToR. Both Study Tours are planned on this basis and the Incidentals Budget will be revised in the 3<sup>rd</sup> Reporting Period to reflect this and other changes.

It also transpired that the BIZimpact Project team was too preoccupied with delivery of various other activities to undertake the programming of the two Study Tours. Moreover, it also became apparent that the only way that a useful and customised Study Tour programme could be developed was if STEs were commissioned with the relevant know-how, contacts and networks in the countries concerned. Therefore, the Consultant commissioned British and Polish STEs to develop the Study Tour Programmes, including making the appointments for the Study Tours. The following were selected by the Consultant and approved by MINGORP and CFCA:

- UK: Dr. Sophia Skyers and Ms Janet Poorman - Annex 18 presents the STE CVs.
- Poland: Mr Artur Nowicki and Mr Witold Michalek - Annex 19 presents the STE CVs.

The STEs were responsible for the Programmes and in-country meetings. The Project team was responsible for all other logistics and organisation. Part of the reason for selecting the UK and Poland was the lack of visa requirements, which often significantly complicate Study Tours. The Project team organised all flight and accommodation bookings, travel insurance and briefings and debriefings.

### **UK Study Tour**

The UK Study Tour enabled the delegation to develop a vision of what the Croatian IA system could evolve into in the future. The UK's IA system is comprehensive and operates at all levels of government:

- Better Regulation Executive (BRE): the central body with overall responsibility for regulation, including the IA system.
- Better Regulation Units within all line ministries, e.g. the Department for Business, Enterprise and Better Regulation (BERR), the Department for Transport and the Department for Environment, Food and Rural Affairs.
- Better Regulation Units within Government agencies and regulators, e.g. the Food Standards Agency.
- Regional Development Agencies: incorporate IA systems for new programmes and projects, e.g. the London Development Agency.
- Local authorities, for example establishment of the Local Better Regulation Office and use of IA systems by individual local authorities.
- Business associations: how they interact with IA, e.g. the London Chamber of Commerce.
- Business agencies: how they interact with IA, e.g. Business Link centres.

The UK Study Tour was rated as extremely useful by the Croatian delegation. It highlighted what is possible to achieve through the IA process, as well as key lessons such as the need for:

- Support from the top (minister and senior officials), combined with consistent backing.
- An energetic and committed individual to front IA matters in the line ministries.
- Close cooperation between line ministries and the IA coordinator (BRE in the UK).
- Sufficient resources (staff and funds) to undertake IA, including the ability to outsource where necessary (due to time constraints, for specialist skills, etc).
- Adequately qualified staff at the core of the process (lawyers, economists and policy officers).
- Appropriate skills in the IA department, both quantitative (e.g. modelling) and qualitative ones.
- Stakeholder engagement in the policy-making process and as early as possible.

Programme / Itinerary: see Annex 20.

Briefing: 8 September 2008; 15 participants.

Participants: 15 Beneficiaries.

Project team: coordination and support in-country (Team Leader and Administrator).

Materials: see [www.bizimpact.hr](http://www.bizimpact.hr)

Feedback / evaluation: The ratings of 11 out of 15 participants for the Study Tour averaged 4.2 on a scale of 1 (poor) to 5 (very good). In terms of the evaluation of the UK Study Tour, the main feedback obtained was:

1. Study Tour content: 4.3 (5 = best score)
2. Relevance of topics and visited institutions: 4.1
3. Lecturers/hosts: 3.9
4. Materials/handouts and presentations: 4.3
5. Organisation of the Study Tour: 4.4
6. Accommodation, travel, logistics: 3.9

The feedback / evaluation included suggestions for improvement of the Study Tour. This information is being used to plan the Poland Study Tour, scheduled for November 2008.

### Box 3: UK Study Tour Programme

#### Sunday, 14 September

13:30 Meeting at Zagreb Airport

15:20 Departure of flight from Zagreb

16:35 Arrival to London Gatwick, Travel to central London, Hotel: Best Western Burns Hotel, Kensington

#### Monday, 15 September

09:30 Department for Business, Enterprise & Regulatory Reform (BERR) / Ian Ascough and Andy Harrison

09:45 Skyers-Poorman Research and Consulting

10:15 Business, Enterprise & Regulatory Reform (BERR) cont.

12:20 Business, Enterprise & Regulatory Reform (BERR) cont.

13:00 Lunch

14:30 Ethnic Minority Enterprise Project / Badrul Islam

15:45 CIDA (Cultural Industries Development Agency) / Lucy Kyle

17:00 Close

#### Tuesday, 16 September

09:30 Department for Environment, Food and Rural Affairs (DEFRA) / Sarah Waddle

10:45 Department for Environment, Food and Rural Affairs (DEFRA) cont.

12:00 Department for Environment, Food and Rural Affairs (DEFRA) cont.

14:00 Lunch

15:30 Business Link London (business enterprise agency) / Benjamin Smart

17:00 Close

#### Wednesday, 17 September

09:30 Department of Transport (DoT) Better Regulation Unit / Rachel Ward

11:00 Department of Transport (DoT) Better Regulation Unit cont.

13:00 Lunch

14.30 London Development Agency / Shahid Miah

16:00 Close

#### Thursday, 18 September

10:00 London Development Agency / Frances McAndrews

12:30 Lunch

14:00 Free time

#### Friday, 19 September

09:00 London Chamber of Commerce and Industry / Peter Bishop

10:00 Food Standards Agency (FSA)

11:00 Food Standards Agency (FSA) cont.

12:00 Food Standards Agency (FSA) cont.

13:00 Lunch & assessment of Study Tour

14:30 Local Better Regulation Office (LBRO) / Rachel Holloway

20:00 Departure of flight to ZG from London Heathrow Airport

23:15 Arrival in Zagreb

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### Sub-tasks

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

### **Task 2.5. Support in Performing 5+ Impact Assessment Studies**

The five IA Case Studies will be carried out during the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods; however, significant preparatory work has taken place during the 2<sup>nd</sup> Reporting Period.

As previously discussed, following the one-day discussion of IA Methodology, the one-week TTT, discussions with MINGORP, the SME Association of HUP, the BIZimpact IA working group and EC Delegation representatives, it was agreed that there is a need to interpret the ToRs / Inception Report flexibly. Not all relevant laws and regulations have sectoral implications – most affect the whole of the small business sector so it does not always make sense to have a sectoral / sub-sectoral dimension in relation to the IA Case Studies. The Beneficiaries have agreed to undertake a mixture of *ex ante* and *ex post* IA Case Studies and that these should only involve a sectoral / sub-sectoral focus where it makes sense to do so, as illustrated in the Box below. The final list of IA Case Studies may vary from those presented in the Box, depending on timing, willingness of the relevant institutions to engage with the BIZimpact Project, etc. This task is planned to start in the 3<sup>rd</sup> Reporting Period and will continue until the 4<sup>th</sup> Reporting Period.

#### **Box 4: Five Impact Assessment Case Studies: Current Situation**

1. Ex post IA of the current SME Promotion Act (the IA workshop started this process). No sectoral focus.
2. Ex ante IA of the Small Business Act (on the basis of the current EC proposal; possibly in cooperation with SMEPED). No sectoral focus.
3. Ex ante / ex post IA of the Public Procurement Act (passed in Jan 2008 and about to be amended!). Sectoral focus, e.g. construction.
4. Ex post IA of the Consumer Protection Act. Sectoral focus, e.g. retail.
5. Possibilities include Act on Payments System, Act on Public Private Partnerships, Regulations on Waste Packaging, etc.

Once the IA Case Studies are selected, coaching and mentoring will be applied in order to ensure that:

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

To this end, during the 2<sup>nd</sup> Reporting Period, the Consultant commissioned Prof. Kirkpatrick and Mr George to assist the Beneficiaries to carry out the preliminary work on the IA Case Studies, thus integrating the training, IA Manual and the IA Case Studies. This continuity is expected to lead to better quality Case Study results. Moreover, Prof. Kirkpatrick and Mr George will use this experience to up-date and finalise the IA Manual (see below).

Different skills will be required for each of the IA Case Studies. Therefore the Consultant is in the process of recruiting national STEs to assist the Beneficiaries to undertake the IA Case Studies. The emphasis will be on the Beneficiaries to undertake the work themselves; however, the STEs will be on-hand to assist, support, coordinate, coach and mentor the Beneficiaries, as required, in order to build capacity levels further.

All five IA Case Studies will be carried out during the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods.

Sub-tasks

- 2.5.1. Allocate 15 TTT participants to different groups to perform the IA studies. 3<sup>rd</sup> Reporting Period
- 2.5.2. Commission STEs in the relevant technical areas to support the process. 3<sup>rd</sup> Reporting Period
- 2.5.3. Support the TTT participants to implement the 5 studies as per Manual. 3<sup>rd</sup>/4<sup>th</sup> Reporting Period
- 2.5.4. Support the TTT participants to produce the 5 legislative IA reports. 3<sup>rd</sup>/4<sup>th</sup> Reporting Period
- 2.5.5. Present the 5 legislative IA reports to the Project Steering Committee. 4<sup>th</sup> Reporting Period

**Task 2.6. Revise IA Manual**

The STEs responsible for the one-day workshop, the one-week TTT and the IA Manual will also participate in at some of the IA Case Studies, as will the national STEs. This experience of the theory and practice of working on IA matters will be used to update the IA Manual. Illustrative “live” examples from the five IA studies will be incorporated into the final version of the IA Manual in order to ensure that it is structured, practical and useful. The final version of the IA Manual will be made available in Croatian and English. It will be printed and distributed throughout Croatia.

This task is planned to start in the 4<sup>th</sup> Reporting Period.

Sub-tasks

- 2.6.1. Develop examples, Case Studies and annexes based on the 5+ IA studies. 4<sup>th</sup> Reporting Period
- 2.6.2. Incorporate the above materials into the final version of the IA Manual. 4<sup>th</sup> Reporting Period
- 2.6.3. Publish the IA Manual in English and Croatian (printed and e-book). 4<sup>th</sup> Reporting Period
- 2.6.4. Disseminate the legislative IA Manual widely. 4<sup>th</sup> 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. The Project team has obtained letters from the business associations committing themselves to cascade the training (see Annex 15). While the Technical Assistance Team will provide advice and limited support with this task, 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 4<sup>th</sup> Reporting Period.

Sub-tasks

- 2.7.1 TTTs to organise cascade training sessions within their own institutions and agree these with the Project team. 4<sup>th</sup> Reporting Period
- 2.7.2 TTTs to deliver cascaded training. 4<sup>th</sup> 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.
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### **Task 3.1. Recruit Market Research Agency to Carry Out the “Before” and “After” BINS.**

Task 3.1 has been completed, as reported in Progress Report 1.

#### 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**

Task 3.2 has been completed, as reported in Progress Report 1.

#### 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**

Task 3.3 has been completed, as reported in Progress Report 1.

#### 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 “Before” 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 is 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.

Progress Report 1 set out in detail the process of preparing the “Before” BINS. The focus of Reporting Period 2 was on coordination and quality control of the fieldwork, for example through meetings with Puls (19.3.2008; 25.4.2008). The first draft of the “Before” BINS was delivered on 28 April 2008. This draft was circulated to all Beneficiaries in order to obtain feedback on the preliminary information.

Box 5 below represents a summary of the main findings arising from the “Before” BINS.

**Box 5: BUSINESS INFORMATION NEEDS SURVEY (BINS)  
INITIAL RESEARCH REPORT, JUNE 2008**

### **Executive Summary**

As part of the European Union-funded BIZImpact Project "Improving Information to the Croatian Business Community", Pohl Consulting & Associates commissioned PULS market research agency to conduct a research study of SMEs and crafts in Croatia. The aim was to understand better their information needs concerning changes to laws and regulations in the eight fields covered by the Project (consumer protection, environmental protection, standards for agricultural products, standards for industrial products, public procurement, state aid, competition policy and intellectual property rights).

This report presents in detail the results of the initial research, which comprised both quantitative research through a "baseline" Business Information Needs Survey ("Before" BINS) and qualitative research through focus group discussions and in-depth interviews. A "follow-up" (or "After" BINS) survey will be conducted near the end of the BIZImpact Project.

The initial research had four objectives: to find out small businesses' attitudes on the expected effect of Croatian accession to the EU on their businesses; to determine their level of knowledge about the EU and possible legislative changes in the eight fields; to determine their attitudes to such changes; and to examine the information channels used by small businesses for obtaining information and their effectiveness.

The qualitative research consisted of 5 focus group discussions and 10 in-depth interviews in different parts of Croatia. The quantitative research consisted of a telephone survey – using computer-assisted telephone interviewing (CATI) – of 2,000 SMEs and crafts from throughout Croatia. The average interview lasted 28 minutes.

The sample for the survey was carefully constructed, using publicly available data, to reflect accurately the structure of SMEs and crafts in Croatia. The sample was sufficiently large to enable a breakdown of the results by a number of variables, including by size of enterprise (micro-, small and medium-sized enterprises, plus bigger crafts) and by region (Croatia was divided into six regions: Zagreb, Northern Croatia, Slavonia, Lika and Banovina, Primorje and Istria, Dalmatia). The sample was also structured to reflect different economic sectors (agriculture and related activities, industry and manufacturing, trade, services).

The survey found that small businesses recognise that joining the European Union will benefit the Croatian economy and society overall – the majority think it will bring more advantages than disadvantages (by 50% to 28%). But many entrepreneurs are worried about their own ability to compete against firms from EU countries. The smallest firms (particularly micro enterprises and crafts) are the most concerned.

Small businesses believe that changes to laws and regulations required to join the EU across the eight fields will benefit Croatia – improving the rule of law was one of the main benefits mentioned both in the survey and focus groups, along with easier imports from the EU and better access to capital. But they also foresee negative consequences, such as increased competition from EU firms, higher expenditure on areas like environmental protection and loss of labour to other European countries.

But most small firms have taken few steps to prepare for EU accession. Even though 31% thought they were fully prepared for EU accession and 54% partly prepared, detailed questions showed that few firms had taken practical steps (such as obtaining information and training staff) to prepare for changes in the eight fields.

Fields like environmental protection, competition policy and consumer protection are recognised as important areas where changes must take place. But the level of small businesses' knowledge about changes in these fields is fairly low.

The survey examined in detail the main information channels currently aimed at small businesses – those of the BIZImpact Project's main partner organisations – the Ministry of Economy, Labour and Entrepreneurship (MINGORP), the Croatian Agency for SMEs (HAMAG), the Croatian Chamber of Economy (HGK), the Croatian Chamber of Trades and Crafts (HOK) and the Croatian Employers' Association (HUP) – plus those of other providers of business information/services at both national and county/regional level.

While some of these channels were widely used – for example 51% had of the sample had visited the MINGORP website in the past year and 77% of HGK members read its weekly newspaper "Privredni Vjesnik" –most of these channels were are rated as low to moderate in terms of usefulness (average scores varied from 2.6 to 3.0 on a scale from 1 to 5).. Similar ratings are given for enterprises' satisfaction levels with the quality of information received.

The information channels seen as most useful by entrepreneurs are seminars or training events covering specific fields and targeted at particular sectors or groups of enterprises. These give small businesses the opportunity to ask specific questions relating to their enterprise and also to engage in dialogue about the impact of proposed changes.

Additional sources of information for small businesses examined by the survey included specialist institutions responsible for the eight fields. Fewer businesses contacted them than the main partners, but the information obtained was rated slightly more useful – reflecting the need to involve such bodies in the information process.

Similarly, a range of other bodies – such as county and city governments, regional development agencies and various types of business centres – were also identified as important sources for information at county and local level. Accountants were also shown to be important sources of information / advice to their clients, with a usefulness rating of 3.9.

While the general media, particularly television and newspapers, are a major source of information on EU accession and changes to laws and regulations, their coverage was seen as being too general for making business decisions. The media can thus have a role in raising awareness of forthcoming changes, but are unlikely to provide enterprises with the specific information they need.

The survey rated the eight fields covered by the BIZimpact Project by their importance for small businesses – ranging from competition policy and environmental protection (average scores 3.5 and 3.4 out of 5) to agricultural standards (2.2). It then examined how well informed entrepreneurs were about each field. The scores for this were considerably lower (from 2.0 to 2.7 out of 5) – revealing a clear “information gap” which needs to be bridged

SMEs and crafts, both in the survey and the focus groups, made clear they want more information about changes in the eight fields – and specific information related to their sector – through channels including seminars, publications, websites and the media. But they have limited time and resources to find information.

They stressed, however, that Information must be both easy to understand and easy to find. There are currently too many diffuse sources of information and much of it is in too technical language. While most small businesses use Internet and e-mail, finding information they need from websites is very difficult.

The report recommends that the planned awareness-raising campaign, along with informing entrepreneurs about forthcoming legislative changes, should also focus on the benefits that harmonisation of Croatian legislation with EU standards will bring – creating a firmer and more reliable framework for the operation of their enterprises. Information should be as targeted and specific as possible, and provided in easy-to-understand language and format, to enable different sectors and groups of SMEs and crafts to understand in more concrete terms what legislative changes mean for their business and what they are required to do.

Apart from the general information channels such as websites and publications, there is a clear desire from entrepreneurs for more information seminars or training seminars where they can obtain more concrete and specific information. The general media has an important role in alerting entrepreneurs to important changes, but cannot be expected to provide detailed information about new laws and regulations.

Information providers should also be more pro-active in delivering targeted information to groups of entrepreneurs affected by specific changes. This means adopting a “market-driving” strategy for communication with small businesses, rather than a passive, “market-driven” approach of simply making information available and hoping entrepreneurs will access it.

Based on the results of the research, a Communications Strategy and detailed Action Plan will now be prepared for an awareness-raising campaign targeted at SMEs and crafts to improve their knowledge and understanding of changes in the eight fields covered by the BIZimpact Project.

The “follow-up” survey (“After” BINS) and further qualitative research will be conducted near the end of the BIZimpact Project (September 2009). These will measure both the success of the awareness-raising campaign and also identify further needs among Croatian small businesses for ongoing information activities.

A presentation of the “Before” BINS was organised by the Consultant and delivered to the Beneficiaries by Puls on 5.5.2008, including a Questions & Answers session (see Annex 21 for the presentation). Following a period of 14 days, the Consultant collated all feedback and presented this to Puls for finalisation of the “Before” BINS. This was a substantial exercise which involved coordination of Project Beneficiaries, as well as stakeholders.

#### **Box 6: Structure of the “Before” BINS Report**

1. Executive Summary
2. Introduction
3. Goals of research
4. Methodology
5. Questionnaire
6. Fieldwork
7. Sample
8. Research Results
9. Qualitative Results
10. Recommendations for a market-driving awareness raising strategy

The “Before” BINS involved mainly descriptive statistics (frequencies, cross-tabulations, etc.) with a focus on incorporating both the qualitative and quantitative analysis into relevant and timely policy recommendations. The final version of the “Before” BINS report was prepared in English and Croatian (see Annexes 22 and 23). An overview of the structure of the report is presented in the Box 6.

#### 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. Completed*
- 3.4.3. *Oversee preparation of BINS presentation to Beneficiaries. Completed*
- 3.4.4. *Coordinate with Beneficiaries to prepare feedback to MRA on draft report. Completed*
- 3.4.5. *Oversee preparation of final report by MRA in English and Croatian. Completed*

### **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 five 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.

This task is planned to start in the 4<sup>th</sup> Reporting Period. However, initial discussions with Puls are planned for the 3<sup>rd</sup> Reporting Period to facilitate planning. The “After” BINS offers the opportunity of undertaking an after snapshot to assess how the situation may have changed. However, since the time gap between the before and “After” BINS is relatively short, the suggestion has been made (by the Croatian Competitiveness Council and MINGORP) that it would be a more effective use of public funds to limit the “After” BINS analysis to a restricted set of indicators and instead devote the survey to exploring a number of additional issues of importance to the whole of the SME sector. This option will be explored during the 3<sup>rd</sup> Reporting Period with Puls and MINGORP. The outcome will be implemented during the 4<sup>th</sup> Reporting Period, as originally planned.

#### Sub-tasks

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

### **Task 3.6. Undertake Visibility Events to Present BINS Results throughout the Country**

The reason for undertaking the BINS was 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 main point was to collect evidence to enable the BIZImpact Project team to work 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 was essential for the Project to seek to disseminate the results of the “Before” BINS throughout the country, as well as to hold discussions with the key Beneficiaries and stakeholders and prepare responses for improving information dissemination to the Croatian business community, linking with the tasks in Activity 4 below (Information Provision to the Croatian Business Community). In particular, the aim was to collect evidence with which to develop and implement the Communication Strategy and Action Plan.

The tool selected, in close cooperation with the BIZImpact Project Beneficiaries, was to undertake a series of high-profile regional events. The format of the events is discussed in the Box below. The National Conference in Zagreb also served 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 “Before” BINS results) to make public.

## Box 7: 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 “Before” Business Information Needs Survey (BINS) in particular.

### 2. Format:

Each event comprised a short conference (ca. 2.5 hours) with several speeches and presentations and an opportunity for questions / discussion, followed by a buffet lunch. The following programme was prepared:

#### **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 (representatives of HGK, HOK, HUP, HAMAG)
10.50-11.10	Presentation of Project – Ricardo Pinto, Team Leader
11.10-12.10	Presentation of BINS Results – Ivan Burić, Puls
12.10-12.25	Questions / Discussion
12.25-12.30	Conclusions – Jasminka Keser, MINGORP
12.30-13.30	Buffet Lunch

#### **Regional Conferences:**

09.30-10.00	Coffee & Registration
10.00-10.10	Welcome by Host Organisation
10.10-11.30	Presentation of Project – Ricardo Pinto, Team Leader
10.30-11.30	Presentation of BINS Results – Chris McLean, Deputy Team Leader
11.30-11.55	Questions / Discussion
11.55-12.00	Conclusions – Ricardo Pinto, Team Leader / Host Organisation
12.00-13.00	Buffet Lunch / Media interviews

### 3. Participants:

#### **National conference:**

- 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:**

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

Although the Inception Report anticipated five such events, six visibility / dissemination events were planned, organised and delivered in Croatia. This reflects the fact that, following the consultation and feedback process,

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the “Before” BINS sample was divided into six regions, rather than five. The Table below sets out the locations, counties involved, number of invitees and actual participants. It should be noted that, following consultations with ECD and the Beneficiaries, the Zagreb conference doubled up as both the Project Launch and one of the regional BINS events.

**Table 3: Information on the Six Regional “Before BINS” Events**

Location	Counties	Venue	Date	Invited	Confirmed	Participated
Zagreb	Zagreb City and Zagrebačka	Mimara Museum	7 May	321	127	103
Osijek	Požeško-slavonska, Brodsko-posavska, Osječko-baranjska and Vukovarsko-srijemska	HGK	14 May	124	75	44
Split	Zadarska, Šibensko-kninska, Splitsko-dalmatinska and Dubrovačko-neretvanska	HGK	19 May	124	25	26
Varaždin	Krapinsko-zagorska, Varaždinska, Koprivničko-križevačka, Bjelovarsko-bilogorska, Virovitičko-podravska and Međimurska	HGK	27 May	160	44	40
Karlovac	Sisačko-moslavačka, Karlovačka and Ličko-senjska	HGK	3 June	97	26	22
Opatija	Primorsko-goranska and Istarska	Bristol Hotel	4 June	108	14	24
<b>Total</b>				<b>937</b>	<b>311</b>	<b>259</b>

The above is the outcome of intensive efforts by the BIZimpact Project involving a number of steps and stages:

- Preparation of a comprehensive database of 1,063 contacts involved in SME support / information covering the six regions of the country. This represents a very important Project output (albeit something not identified in the ToR) to be used by all five Beneficiaries as the comprehensive and up-to-date database of relevant counterparts in the SME sector.
- Invitations from MINGORP to all 502 Croatian institutions to participate in the six regional events.
- Over 300 phone call follow-ups in order to maximise the participation rate.
- Collaboration with local Beneficiaries, mainly with HGK county offices, in order to use local venues and maximise the participation rate.
- Collaboration with local Beneficiaries, mainly with HGK county offices, in order to ensure full coverage of the event by regional media.
- In all, 11 journalists (TV, radio and newspaper) attended the Zagreb event; 2 attended the Osijek event; 1 attended the Split event; 2 attended the Varaždin event; 3 attended the Karlovac event; 1 attended the Opatija event.

Upon finalisation of the “Before” BINS report, the five Beneficiaries and the stakeholders were involved in activities to raise awareness of the results:

- All Beneficiaries were involved in the presentation by Puls specifically to them (5 May 2008).
- All stakeholders and Beneficiaries participated in the national launch of the BIZimpact Project, where the main focus was a detailed presentation of the “Before” BINS results (7 May 2008).
- All Beneficiaries participated in one-to-one discussions with the Communications Key Expert to assess the results of the BINS and the implications for them (April-May 2008).
- All stakeholders that expressed an interest participated in one-to-one discussions with the Communications Key Expert to assess the results of the BINS and the implications for them (May-July 2008).
- Presentation of the “Before” BINS to the Croatian Competitiveness Council: 11 June 2008.

The conclusions of the above discussions were employed in the preparation of the awareness-raising methodology (renamed “Communications Strategy”) and awareness-raising plan (renamed “Communications Action Plan”). This issue is discussed in detail under activity 4 (see 4.1 and 4.2 below).

Upon finalisation of the “Before” BINS report, it was translated into Croatian. The English and Croatian reports are widely referred to in BIZimpact materials and can be downloaded from the BIZimpact website. The key results of the “Before” BINS survey have been written-up in various business-oriented newspapers and magazines to enable wide dissemination of the “Before” BINS results. The list includes the following:

- Ekonomist: “SMEs Need to Improve Their Knowledge”, Issue Number 6, 2008, pp.12
- Ekonomist: “Level of Information Limited”, Issue Number 7-8, 2008, pp.12
- Ekonomist: “Information Campaign for SMEs”, Issue Number 9, 2008, pp.12

The remaining sub-tasks connected with this task, namely to present the “After” BINS results in the final Project conference and wide dissemination of the “After” BINS results, will be delivered during the 4<sup>th</sup> Reporting Period.

Sub-tasks

- 3.6.1. Present “Before” BINS in 6 regional events throughout Croatia. *Completed*
- 3.6.2. Discussions with Beneficiaries/stakeholders in eight fields on “Before” BINS implications. *Completed*
- 3.6.3. Prepare awareness-raising strategy based on results of the BINS. *Completed (see 4.1 and 4.2 below)*
- 3.6.4. Disseminate the “Before” BINS report widely. *Completed*
- 3.6.5. Present “After” BINS report at final Project conference. *4<sup>th</sup> Reporting Period*
- 3.6.6. Discussions with Beneficiaries/stakeholders on “After” BINS implications. *4<sup>th</sup> Reporting Period*
- 3.6.7. Disseminate the “After” BINS report widely. *4<sup>th</sup> 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**

In order for an awareness-raising campaign to be effective, it needs to be well planned, based on solid analysis of the information needs of the target audiences and mobilise the available resources of partner organisations in improving the flow of information to and the development of dialogue with those target audiences.

To develop the awareness-raising methodology / plan in a structured way, two documents were produced:

- A **Communications Strategy** (see Annexes 24 and 25) setting out the overall aim and objectives of the awareness-raising campaign, the main target groups and the broad types of activities required to reach them. The aim and objectives are set out in the Box below.
- An **Action Plan** (see Annexes 26 and 27) setting out in detail the activities required to achieve each of the objectives, the bodies responsible for these, the resources required and the timescale of activities.

It should be noted, therefore, that the awareness-raising methodology has been renamed “Communications Strategy”) and the awareness-raising plan has been renamed “Action Plan”.

**Box 8: Aim and Objectives of the Communications Strategy**

The **overall aim** of this Communications Strategy is derived from the overall purpose of the BIZImpact Project, namely:

**To improve information to SMEs and crafts in Croatia about changes to laws and regulations arising from Croatia’s accession to the European Union so that they better understand the changes, are better able to comply with them and are better able to compete in the European market.**

This overall aim is broken down into a number of specific objectives:

**Specific Objective 1: Sources of Information.** Improving the sources of information of BIZImpact's partner organisations, and access to these sources, for small businesses concerning changes to laws and regulations in eight legislative fields arising from Croatia's accession to the European Union.

**Specific Objective 2: Dissemination of Information.** Improving dissemination of information to small businesses by BIZImpact's partner organisations concerning changes to laws and regulations in the eight legislative fields, and develop public-private dialogue concerning these changes, with particular emphasis on targeting the most relevant information to specific groups or sectors of enterprises.

**Specific Objective 3: Media.** Improving understanding and coverage in the Croatian media at national and regional level of changes to laws and regulations in the eight fields and their importance to small businesses.

**Specific Objective 4: Internal Communications.** Improving communications within and between partner organisations, between their central and county/regional structures and between partner organisations and other providers of information to small businesses.

**Specific Objective 5: Collaboration with other Information Providers.** Increasing collaboration in the provision of information to small businesses between partner organisations and between partners and other providers of information to small businesses at national, county/regional and local level.

**Specific Objective 6: Communications Training.** Upgrading the communications skills and capacities of partner organisations and other providers of information to small businesses.

**Specific Objective 7: Regional Piloting.** In co-operation with the county/regional structures of partner organisations and other information providers at county/regional and local level, piloting information activities in selected counties/regions of Croatia as examples of good practice.

Development of both the Communications Strategy and the Action Plan was based solidly on the results of the "Before" BINS research (see Activity 3 above). The Action Plan further includes detailed analysis of the current situation in the eight fields covered by the BIZImpact Project, the suitability of different types of media as communications channels and the existing business support infrastructure in Croatia.

Based on the need for representatives of the Beneficiaries to be fully engaged in preparation and agreement of both the Communications Strategy and the Action Plan and, subsequently, in their implementation, a Communications Working Group (CWG) was established comprising representatives (wherever possible, communications specialists) of each Beneficiary. CWG membership is as follows:

#### **Box 9 – Membership of Communications Working Group, September 2008**

##### **Ministry of Economy, Labour & Entrepreneurship (MINGORP)**

- Jasminka Keser
- Anita Trbuščić
- Vlatka Mlakar

##### **Croatian Agency for SMEs (HAMAG)**

- Marina Mrvoš

##### **Croatian Chamber of Economy (HGK)**

- Sonja Nušinić

##### **Croatian Chamber of Trades and Crafts (HOK)**

- Snježana Tomić
- Nenad Klapčić

##### **Croatian Employers' Association (HUP)**

- Ljiljana Hećimović

Meetings of the CWG were held on the following dates during the Reporting Period:

- Friday 13 June: to agree CWG remit and programme of activities.
- Thursday 26 June: to discuss draft Communications Strategy.

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- Thursday 9 July: to agree revised version of Communications Strategy.
- Wednesday 23 July: to discuss draft Action Plan.
- Thursday 12 September: to agree revised version of Action Plan.

As part of the process of establishing the CWG, assessment continued of the existing and planned communications of the Beneficiaries and their communications capabilities. The results of this analysis, linked to the results of the “Before” BINS research, were used in preparation of the Communications Strategy and Action Plan.

While the prime responsibility for preparation of the Communications Strategy and Action Plan lay with the BIZimpact Project team and the Communications Key Expert in particular, additional expertise and experience of public and media relations in Croatia was also deployed. Short-Term Experts to assist with preparation of the Communications Strategy and Action Plan were therefore identified and their ToRs and CVs approved (see Annex 28).

Sub-tasks

- 4.1.1. Identify and analyse existing communications with SMEs and communications capacity of Project Beneficiaries and other actors. *To be continued in 3<sup>rd</sup> 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. *Completed*
- 4.1.4. Develop Communications Plan based on above results. *Completed*

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

Based on the agreed Communications Strategy and Action Plan, preparations started in September 2008 for immediate implementation of the awareness-raising campaign.

Implementation will involve all the Project Beneficiaries, co-ordinated through their representatives on the Communications Working Group (CWG), and the Action Plan includes a Table of their respective responsibilities, based on assessment of their communications capabilities and their agreed inputs. The Action Plan also sets out a detailed timetable of proposed activities, as illustrated in Table 4:

**Table 4: Timetable for Implementation of Awareness-raising Activities (from Action Plan)**

ACTIVITIES	September 2008	October '08	November '08	December '08	January 2009	February '09	March '09	April '09	May '09	June '09	July '09	August '09	September '09	Afterwards
<b>SPECIFIC OBJECTIVE 1: SOURCES OF INFORMATION</b>														
1.1. Prepare Mini Guides														
1.2. Review & improve partners' websites														
1.3. Review & improve partners' publications														
1.4. Review & improve processing of info requests														
<b>SPECIFIC OBJECTIVE 2: DISSEMINATION OF INFORMATION</b>														
2.1. Distribute Mini Guides & other materials														
2.2. Events to present Mini Guides & other information														
2.3 Support development of public-private dialogue														

ACTIVITIES	September 2008	October '08	November '08	December '08	January 2009	February '09	March '09	April '09	May '09	June '09	July '09	August '09	September '09	Afterwards
<b>SPECIFIC OBJECTIVE 3: MEDIA</b>														
3.1. Prepare briefing materials for journalists														
3.2. Organise briefing seminars for journalists														
3.3. Organise journalists' visits to EU														
3.4. Media relations														
<b>SPECIFIC OBJECTIVE 4: INTERNAL COMMUNICATIONS</b>														
4.1. Review & improve partners' internal communications														
4.2. Review & improve comm'ns with other info providers														
4.3. Develop & maintain BIZimpact website														
<b>SPECIFIC OBJECTIVE 5: COLLABORATION WITH OTHER INFORMATION PROVIDERS</b>														
5.1. Involve specialist institutions, prof. associations etc														
5.2. Improve sharing of info through websites & other channels														
<b>SPECIFIC OBJECTIVE 6: COMMUNICATIONS TRAINING</b>														
6.1. Provide further training in communications skills														
6.2. Provide advice to partners on communications														
<b>SPECIFIC OBJECTIVE 7: REGIONAL PILOTING</b>														
7.1. Select counties/regions etc for pilot activities														
7.2. Establish local working groups														
7.3. Organise local training seminars etc														
7.4. Report and share experiences														

**IMPLEMENTATION OF ACTIVITIES**



Preparation



Intensive activity



Limited activity

To complement the work of the CWG at national level and ensure that activities take place in all regions of Croatia, initial discussions were held concerning establishment of Local Working Groups to assist in piloting activities at regional level, as required by Specific Objective 7 of the Communications Strategy.

Implementation of the Communications Strategy and Action Plan will be monitored by the CWG, using a combination of the evaluation measurements set out below (see Task 4.5). In particular, an Interim Report will be provided to the CWG on activities until the end of December 2008, allowing any amendments to be made to the Action Plan for awareness-raising activities from then until the end of the Project.

The BIZimpact Project website, launched in March 2008, has continued to be updated with Project materials and acts as a resource for all Beneficiaries and others involved in implementation of the Project. It can be accessed at [www.bizimpact.hr](http://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. **Completed**
- 4.2.2. Agree final version of Communications Plan. **Completed**
- 4.2.3. Organise tender(s) if required for communications products / activities. **3<sup>rd</sup>/4<sup>th</sup> Reporting Period**
- 4.2.4. Establish Communications Working Group and implement awareness-raising activities. **Completed**
- 4.2.5. Monitor and adjust campaign activities as required by changing needs and circumstances. **3<sup>rd</sup>/4<sup>th</sup> Reporting Period**

### **Task 4.3. Development of Public-Private Dialogue**

The results of the “Before” BINS research clearly showed a need for improving the level of dialogue between the Croatian public authorities and the small business community. Respondents to the research indicated that they did not just require information concerning forthcoming legislative and regulatory changes; they also wanted the opportunity for dialogue, through seminars, round tables and other channels, concerning the impact of such changes and how they could be introduced in ways that did not place insurmountable extra burdens onto businesses.

The Communications Strategy and Action Plan, therefore, include a substantial number of activities which will facilitate Public-Private Dialogue (PPD) at both national and regional level. This will include not only information channels and events where feedback, questions and answers will be possible, but also consultation exercises as part of the Impact Assessment Case Studies (see Activity 2).

However, the BIZimpact Project does not intend to create a separate formal structure for PPD, since this is already under development by MINGORP with the support of the EU-funded SMEPED Project to initiate such a mechanism for dialogue for SMEs (see section 1.3).

BIZimpact representatives attended the Public-Private Dialogue Forum organised by MINGORP with SMEPED’s support on 2 September 2008 and made presentations on the Project’s activities in respect of PPD and on relevant results from the “Before” BINS research. The BIZimpact Project will continue to support development of the PPD Forum, adding its input and expertise where required.

#### Sub-tasks

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

### **Task 4.4. Training Information Officers in All Counties**

The Project delivered a programme of training in communications skills for information officers in all 21 counties. In the period 14 May - 20 June 2008, six 1.5 day training courses, each designed to accommodate up to 10 participants, were held as part of the Project.

The schedule of the training was as follows:

- Osijek: Wednesday 14 – Thursday 15 May 2008 (for partner organisations from Požeško-slavonska, Brodsko-posavska, Osječko-baranjska, Vukovarsko-srijemska and Virovitičko-podravaska 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)

Venues were supplied for the training in regional centres by the county chambers of HGK or HOK. The Zagreb courses were held in rooms provided by the Croatian Standards Institute within the MINGORP building.

The training courses comprised a mixture of presentations and practical workshops. The presentations served to acquaint the participants with the topics, acquire new knowledge and prepare for the workshops. The presentations were highly interactive; participants were at any time able to ask questions and receive specific answers from the trainers. The contents of each training course followed, with minor variations, the model illustrated in Box 11:

## Box 10 – Content of Communications Training Courses

### Day 1

- Introduction to training and the BIZimpact Project
- The role of a PR/Information expert, the importance of PR/Information and practical experience of a PR/Information expert
- Specifics of media in Croatia – national and regional media
- How to effectively communicate with the media?
- Practical workshop in groups – production of press releases and organising a press conference + analysis and discussion

### Day 2

- Internal and external communication within and between partner organisations
- Presentations skills – successful conferences and seminars
- Dealing with a crisis
- Workshop – TV interview recording
- Workshop – analysis of recordings and discussion
- Workshops – how to achieve coverage in the media of issues relevant to small entrepreneurs
- Training brief, evaluation and distribution of certificates

Participants in the first five training courses mainly comprised HGK, HOK and HUP representatives from county chambers / regional offices. The last training was held with the participation of representatives of partner organisations from the national level.

A total of 52 participants took part in the training courses: Osijek - 8 participants (HGK 6, HOK 1, and HUP 1); Split - 10 participants (HGK 8 and HOK 2); Varaždin - 10 participants (HGK 6 and HOK 4); Rijeka - 9 participants (HGK 3, HOK 1, HAH 4 and HUP 1); Zagreb I - 5 participants (HGK 3, HOK 1 and BIZimpact 1); Zagreb II - 10 participants (MINGORP 2, HAMAG 1, HGK 2, HUP 3 and BIZimpact 2).

Short-Term Experts (STEs) from the public relations and communications agency Coris Educa were engaged to provide the training. The CVs of the STEs engaged are attached (see Annex 29). The materials used in the training are presented in Annex 30.

All participants were asked to evaluate the quality of the communications training (they could do so anonymously if they wished). The average score was 4.96 out of a possible 5, indicating a very high level of satisfaction with the training. A more detailed report on the communications training prepared by Coris Educa is attached (see Annex 31).

The ToRs mention communications training of a minimum of 20 local information officers. This has already been greatly surpassed, with 52 participants in the courses to date. Based on the number of participants and their enthusiastic feedback, there clearly exists a need for further training in communications/information skills. This includes both the Project's main Beneficiaries at national and local level; many who would have liked to participate in the training were not able to do so, but also representatives of the main stakeholders in the eight fields, who have expressed a desire to be included.

With the agreement of the Beneficiaries, the BIZimpact Project has, therefore, included in the Communications Strategy and Action Plan proposals for a further series of communications training courses, for representatives of both Project Beneficiaries and stakeholders in the eight fields, to commence in the 3<sup>rd</sup> Reporting Period. Depending on resources available, at the request of Beneficiaries the BIZimpact Project will also consider the feasibility of targeted communications training for senior management of the Beneficiaries at a later stage of 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. **Completed in terms of minimum requirements already achieved; to be continued (with a view to organising further training courses) in 3<sup>rd</sup> Reporting Period**
- 4.4.2. Identify individuals requiring training, including a minimum of 21 information officers at county level. **Completed in terms of minimum requirement already achieved; to be continued (with a view to organising further training courses) in 3<sup>rd</sup> Reporting Period**
- 4.4.3. Prepare communications training plan, discuss and agree with Beneficiaries. **Completed in terms of minimum requirements already achieved; to be continued (with a view to organising further training courses) in 3<sup>rd</sup> Reporting Period**
- 4.4.4. Implement communications training. **Completed in terms of minimum requirements already achieved; to be continued (with a view to organising further training courses) in 3<sup>rd</sup> Reporting Period**
- 4.4.5. Evaluate communications training and further training needs. **Completed**

### **Task 4.5. Evaluation of the Awareness-raising Campaign**

As part of the Communications Strategy and Action Plan developed under activity 4.2, specific indicators have been 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 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): to be measured both by the “After BINS” research and by individual Beneficiaries, according to their capabilities.
- No. of website visits and no. of comments / feedback: to be measured by the “After BINS” research and by individual Beneficiaries.
- No. of publications printed and distributed: to be measured by the BIZimpact Project and individual Beneficiaries.
- No. of conferences / seminars held and no. of attendees: to be measured by the BIZimpact Project and individual Beneficiaries.

The evaluation indicators 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): to be measured by the BIZimpact Project and individual Beneficiaries (several of whom have media monitoring systems or contracts).
- Improvements in awareness achieved: to be measured as part of the “After” BINS research.
- Level of satisfaction of customers regarding e.g. responses to information requests: to be measured as part of the “After” BINS research.

### 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). **Completed**
- 4.5.2. Discuss and agree evaluation indicators with Beneficiaries and include them in Communications Strategy and Action Plan. **Completed**
- 4.5.3. Collate and analyse data for evaluation indicators from BINS and from monitoring measures during campaign. **3<sup>rd</sup>/4<sup>th</sup> Reporting Periods.**
- 4.5.4. Produce evaluation report and discuss with Beneficiaries. **4<sup>th</sup> Reporting Period.**

## 2.2 Resources Planned and Used

The resources that were planned for the 2<sup>nd</sup> 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	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
<b>TOTAL</b>	<b>109</b>	<b>80</b>	<b>103</b>	<b>40</b>	<b>332</b>	<b>100</b>

The following resources were actually consumed during the 2<sup>nd</sup> 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	22	9	0	0	31	8,83
Activity 1: Initial Training in 8 Fields	14	3	10	20	47	13,39
Activity 2: Impact Assessment Methodology and Train the Trainers	31	2	45	0	78	22,22
Activity 3: Business Survey	24	28	0	0	52	14,81
Activity 4: Information to Business Community	18	51	48	26	143	40,74
<b>TOTAL</b>	<b>109</b>	<b>93</b>	<b>103</b>	<b>46</b>	<b>351</b>	<b>100</b>

There is a small discrepancy in resources (man days) planned and used during the 2<sup>nd</sup> Reporting Period. This is a normal process arising from theoretical assumptions about likely resource use versus actual resource needs. The overall distribution of Project man days has been slightly revised for the last 12 months of the Project. The main changes are follows:

- Activity 1 Initial Training in 8 Fields: a slight reduction in planned man days because fewer STEs were utilised than originally anticipated. This reflects the encouragement received from ECD to use the relevant Croatian public bodies whenever possible, rather than STEs to deliver the training and the Mini Guides.
- Activity 2 Impact Assessment: a slight increase in planned man days reflecting the fact that STEs have been used to prepare the UK and Poland Study Tours, which was not originally anticipated but proved to be necessary during Project implementation.
- Activity 3 Business Survey: unchanged.
- Activity 4 Information to Croatian Business Community: a relatively large increase in man days reflecting the importance of the communications activity during the last 12 months of the BIZimpact Project. An intense period of communications activities is planned, resulting in a need for an increase in man days.

## 2.3 Progress Made (including Review of Project Indicators)

Significant progress has been made in implementing the BIZimpact Project during the 2<sup>nd</sup> Reporting Period. Without regurgitating 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**

As reported in the 1<sup>st</sup> Progress Report, the progress previously made includes:

- A plan for better Project positioning has been prepared.
- A training plan has been prepared.
- 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.
- The EU Info Centre's visibility has been raised as a result of the training events.
- All presentations are available on the Project website [www.bizimpact.hr](http://www.bizimpact.hr)
- All seven Mini Guides are available on the Project website [www.bizimpact.hr](http://www.bizimpact.hr)

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During the Reporting Period of the 2<sup>nd</sup> Progress Report, the following progress has been made:

- All Mini Guides were edited for readability and accessibility by entrepreneurs.
- All Mini Guides were converted into a consistent DTP format and put on the Project web site.
- All Mini Guides were circulated to at least 4,716 email addresses (including HGK members, HOK members, HUP members, BDS organisations and local authorities).
- Mini Guides were distributed at annual national SME Conference (Šibenik, 29-31 May 2008).
- Two additional training sessions for SMEs were coordinated focusing on Public Procurement and State Aid (annual national SME Conference, Šibenik, 30 May 2008).
- MINGORP paid for the publication of 500 copies of each of the intermediate Mini Guides.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Incorporate the Impact Assessment Case Studies (where relevant).
- Incorporate the FAQs.
- Up-date, print and disseminate the Mini Guides.

### **Activity 2: Impact Assessment Methodology and Train the Trainers**

As reported in the 1<sup>st</sup> Progress Report, preliminary activities included:

- Commission Prof. Colin Kirkpatrick and Mr. Clive George as STEs for the one-day IA workshop, IA Manual, one-week IA Training of Trainers and revision of the IA Manual upon completion of Case Studies.
- Agree dates for IA one-day workshop: 15 April 2008, HOK HQ; one-week IA TTT: 9-13 June 2008, HGK HQ; and the Study Tours: UK in September 2008 and Poland in November 2008.

During the 2<sup>nd</sup> Reporting Period, significant progress was made in implementing this activity, including:

- Delivery of the one-day workshop on IA: 15 April 2008, 23 participants.
- Delivery of the one-week TTT on IA: 9-13 June 2008, 22 participants.
- Delivery of the draft of the IA Manual in June 2008 and the full version in mid-September 2008.
- Selection of the 15 Study Tour participants from the Beneficiaries.
- 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.
- Organisation and delivery of the UK Study Tour during 9-13 June 2008 (15 Beneficiaries).
- Initiation of preparation of Poland Study Tour during 17-21 November 2008 (15 Beneficiaries).
- Selection of potential 5 IA Case Studies based on sectoral orientation, where relevant.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Poland Study Tour during 17-21 November 2008.
- Undertaking 5 IA Case Studies (during October 2008 – July 2009).
- Incorporation of IA Case Study material in Mini Guides, where relevant.
- Revision of IA Manual, followed by publication.

### **Activity 3: Business Information Needs Survey (BINS)**

The activities implemented during the 1<sup>st</sup> Reporting Period included:

- Recruitment of Puls to perform the BINS after a transparent and accountable tendering process.
- Agreement and finalisation of the BINS methodology with the Beneficiaries and Puls.
- Publicity campaign to maximise response rates to the survey, coordinated with MINGORP, HAMAG, HGK, HOK and HUP.
- Finalisation of the “Before” BINS questionnaire following involvement the Beneficiaries and stakeholders.
- Quality control of “Before” BINS, including participation in piloting process, focus groups, etc.

During the 2<sup>nd</sup> Reporting Period, significant progress was made in implementing this activity, including:

- Completion of the field work in March 2008.
- Delivery of the first draft of the “Before” BINS on 28 April 2008.
- Presentation of the “Before” BINS to the Beneficiaries on 5 May 2008.
- Coordination of feedback from Beneficiaries and stakeholders on the draft “Before” BINS survey.
- Delivery of final “Before” BINS on June 2008.
- Translation of “Before” BINS into English / Croatian.

- Presentation of the “Before” BINS at the six regional conferences (Zagreb: 7 May, 103 participants; Osijek: 14 May, 44 participants; etc). This was one more event that anticipated in the Inception Report.
- Preparation of 10 articles / papers to publicise various aspects of the “Before” BINS.
- Presentation of the “Before” BINS to the Croatian Competitiveness Council: 11 June 2008.
- Detailed discussions with Beneficiaries and stakeholder organisations on the results on the “Before” BINS as the basis for the preparation of the Communications Strategy and Action Plan.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Discussions with Puls regarding the “After” BINS, including possibility of refocusing the content of the survey to add more value to policy development for the SME sector.
- Supervision of key aspects of the fieldwork.
- Feedback on the first draft of the “After” BINS report.
- Translation of the “After” BINS
- Upload “After” BINS to BIZImpact and other relevant web sites.
- Delivery of the “After” BINS results at the Final Conference of the BIZImpact Project.
- Preparation of media materials setting out progress made, if any.

#### **Activity 4: Information to the Croatian Business Community**

As reported in the 1<sup>st</sup> Progress Report, the progress previously made included:

- 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.

During the 2<sup>nd</sup> Reporting Period, further progress made in implementing this activity included:

- Establishment of a Communications Working Group (CWG) representing Beneficiaries to agree and then oversee implementation of the awareness-raising methodology and plan.
- Assessment of the existing and planned communications activities and capabilities of Beneficiaries and main stakeholders in the eight fields.
- Preparation and agreement by the CWG of a Communications Strategy setting out the aim and objectives to be achieved in the awareness-raising campaign.
- Preparation and agreement by the CWG of an Action Plan setting out in detail the activities to be undertaken and the resources, responsibilities and timescales during the awareness-raising campaign.
- Participation in the Public-Private Dialogue Forum.
- Six communications training courses held throughout Croatia, with a total of 52 participants.
- Development of measurements to evaluate and where required modify the awareness-raising campaign.

During the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods, the following actions are planned:

- Implementation of the Communications Strategy and Action Plan, including the following:
  - Evaluation of the internal and external communications of Beneficiaries and recommendations for improvement.
  - Information and training events in all regions of Croatia on the themes covered by the BIZImpact Project, including specific information and training on the eight fields in selected pilot regions.
  - Distribution of the Mini Guides and other materials.
  - Media briefings and coverage concerning the themes covered by the BIZImpact Project and the eight fields.
  - Establishment of local working groups to support pilot implementation in the regions of Croatia.
  - Evaluation of the awareness-raising campaign and modifications, where necessary.
- Ongoing participation in the Public-Private Dialogue Forum.
- Further communications training courses for Beneficiaries and stakeholders.

## 2.4 Problems Encountered

No significant problems have been encountered. Only three issues are worth noting:

- **Project Office:** during the summer, air conditioning was installed in the BIZImpact office. This was critical in enabling the Project to continue operating during the hot period of the year. The Project does not anticipate moving to other offices in the last 12 months of the Project, as this would represent unnecessary disruption.
- **Impact Assessment at MINGORP:** Organisational restructuring at MINGORP means that the SME directorate has been renamed the Small Business Directorate. Two other developments should work in favour of Project implementation. An Economic Impact Assessment and Macroeconomic Policy Unit has been created at the Minister's Cabinet level. Staff members are yet to be appointed so it has not been possible to involve this Department in the IA capacity-building activities of the BIZImpact Project. Within the Small Business Directorate, the Analysis Unit is now the Analysis and Impact Assessment Unit and the two staff members have been and will continue to be involved in all IA activities during the remainder of the Project implementation phase. Should the Economic Impact Assessment and Macroeconomic Policy Unit recruit staff, the Project will prioritise their involvement in Project activities, such as the IA Case Studies.
- **Sectoral / Sub-sectoral focus to IA Case Studies:** following various discussions with the Beneficiaries, especially MINGORP, as well as ECD, it has become apparent that the original expectation that the IA Case Studies should focus on sectors / sub-sectors, needed to be adjusted. Following the selection of the initial list of IA Case Studies, only a sub-set of these can meaningfully be examined from a sectoral / sub-sectoral viewpoint, since they affect the entire SME sector. Consequently, it has been agreed to only focus on sectors / sub-sectors where it makes sense to do so.

The minor problems encountered have been overcome and the Project 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 is 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, Section 1.3 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 third 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				2009		
			Sep	Oct	Nov	Dec	Jan	Feb	Mar
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	2.4	Undertake a Study Tour to Poland.
		2.5	Support in performing five impact analysis studies (continuing in the 4 <sup>th</sup> Reporting Period)
3	BINS	3.4	Undertake preliminary work on the "After" BINS.
4	Information & communication	4.2	Implementation of the Communication Strategy and Action Plan (awareness-raising - continuing in the 4 <sup>th</sup> Reporting Period)
		4.3	Development of Public-Private Dialogue (continuing in the 4 <sup>th</sup> Reporting Period)
		4.4	Training Information Officers in all counties (continuing in the 4 <sup>th</sup> Reporting Period)
		4.5	Evaluation of awareness-raising campaign (continuing in the 4 <sup>th</sup> Reporting Period)

### 3.2 Activity Schedule, including Milestones and Responsibilities

Activity/Task	Major Deliverables	2008				2009		
		13 SEP	14 OCT	15 NOV	16 DEC	17 JAN	18 FEB	19 MAR
<b>Activity 0: Inception Phase, Project management and Reporting</b>								
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.								
<b>Activity 1: Initial Training in 8 Legislative Fields</b>								
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							
<b>Activity 2: Impact Assessment (IA) Methodology &amp; Train the Trainers</b>								
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							
<b>Activity 3: Business Information Needs Survey (BINS)</b>								
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 piloted							
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							
<b>Activity 4: Information to Business Community</b>								
Task 4.1 Preparation of awareness-raising methodology / communications plan	Awareness-raising methodology and information plan							
Task 4.2 Implementation of a awareness-raising methodology / communications plan	Implementation of specific activities (to be defined in communications plan)		★	★	★		★	★
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							

	ACTIVITY
	TASK
	DELIVERABLES
	MAJOR DEPENDENCIES BETWEEN ACTIVITIES

### 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	Deputy	Senior	Junior		
Activity 0: Inception Phase, Project Management and Reporting	52	15	0	0	67	18,31
Activity 1: Initial Training in 8 Fields	3	0	10	0	13	3,55
Activity 2: Impact Assessment Methodology and Train the Trainers	45	0	45	0	90	24,59
Activity 3: Business Survey	2	6	0	0	8	2,19
Activity 4: Information to Business Community	18	75	70	25	188	51,37
<b>TOTAL</b>	<b>120</b>	<b>96</b>	<b>125</b>	<b>25</b>	<b>366</b>	<b>100</b>

## 4 SUSTAINABILITY (BACKGROUND AND PRESENT SITUATION)

Croatia has made good 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 BIZimpact ToR were written. These are commendable developments and further strengthening of information dissemination, communication and dialogue, as well as Impact Assessment capabilities is needed among the BIZimpact Project Beneficiaries, as well as the wider stakeholders. In order to ensure that the four Project activities are sustainable, we consider below the likely scenarios, according to certain predefined themes.

### 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 continuing 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 recommendations made by the Project team, HAMAG and HOK 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. The participation and ownership of the Project has been reinforced by the re-appointment of Ms Tajana Kesić Šapić as the State Secretary for the Entrepreneurship Division. The Entrepreneurship Division has appointed two new Directors for the Small Business (Ms Tihana Kraljić) and Crafts Departments (Mr Darko Horvat). Meetings have been held with both new Directors in order to raise awareness of the BIZimpact Project and maintain the good working relations initially established with their predecessors (the former Assistant Ministers).

The MINGORP organisational reform process has been completed, at least on paper. The SME Directorate has been renamed the Small Business Directorate. An Economic Impact Assessment and Macroeconomic Policy Unit has been created at the Minister's Cabinet level but currently lacks staff, so it has not been possible to build-up MINGORP IA capacities at the Ministry-wide level. This is a serious weakness that will affect sustainability of IA activities within MINGORP as a whole. It is hoped that the Economic Impact Assessment and Macroeconomic Policy Unit proceeds rapidly to recruit staff, in which case the BIZimpact Project will prioritise their involvement in activities such as the IA Case Studies and the forthcoming Study Tour to Poland.

The Small Business Directorate has reformed the former Analysis Unit into the Analysis and Impact Assessment Unit. Both its permanent staff members have been and will continue to be involved in all IA activities during the remainder of the Project implementation phase. A further two members of the Small Business Directorate have been involved in all IA activities. This will contribute to sustainability of IA activities within the Directorate. Turning to the other four Beneficiaries, at least three people from each of the business associations (HGK, HOK and HUP), as well as two people from HAMAG have been involved in the IA activities. These individuals are expected to cascade their IA knowledge within their respective organisations, thus further contributing to sustainability.

Finally, the BIZimpact Project has created a Communications Working Group (CWG) to oversee the preparation and implementation of the Communications Strategy and Action Plan. The CWG has already met six times during the 2<sup>nd</sup> Reporting Period and will meet on a monthly basis during the 3<sup>rd</sup> and 4<sup>th</sup> Reporting Periods. Although the principal function of the CWG is to ensure effective implementation of the Communications Strategy and Action Plan during the remainder of the Project, it is anticipated that the close collaboration between the five main Project Beneficiaries will result in recognition of the value and need for a longer term mechanism for coordination and cooperation on key information and communication matters affecting the small business sector in Croatia.

### 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 gaps are urgent issues to address. This degree of policy support on the part of the Beneficiaries bodes well for the sustainability of aspects 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, etc. This offers the prospect of BIZimpact activities being sustainable beyond the Project's lifetime.

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. 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.

The BIZimpact Project has focused on developing collaboration at the regional level, focusing on the following centres:

- Karlovac.
- Osijek.
- Rijeka/Opatija.
- Split.
- Varaždin.

At least two activities have occurred in each of the above cities, namely initial awareness-raising of the BIZimpact Project, followed by the BINS regional conferences. Following the preparation of the Communications Strategy and Action Plan, numerous actions will reinforce policy support at the national (or Zagreb), as well as regional levels, such as:

- Pilot initiatives.
- Thematic focus on each of the regions.

### **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 IA and enhance information provision and communication between governmental bodies, agencies, business associations and enterprises, such as the database of relevant Project contacts. It is anticipated that less reliance will be placed on the "passive" use of websites and more emphasis on "pro-active" linking up and networking of 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 directly 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 more effectively diffused from Zagreb to the local level. 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 seek to ensure that there is a gender balance in relation to issues such as capacity-building, Study Tours, etc. However, the initial indications suggest that women actually comprise the large majority of likely participants in Project activities from the Beneficiary organisations, for example 12 out of the 15 IA participants that went on the Study Tours. Nevertheless, there will continue to be a gender focus to the Project. For example, the BINS sample has been 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 better to 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. This is one of the objectives of the Mini Guide on Environmental Policy.

## 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 is contributing to the development of an Impact Assessment capability, in close collaboration with the SPO. As discussed in section 4.1 above, the BIZimpact Project will continue to build the capacity of the Small Business Directorate's Analysis and Impact Assessment Unit, as well as the proposed Department of Economic Impact Assessment and Macroeconomic Analysis, thus ensuring that MINGORP is able to perform its IA role effectively in future.

This applies equally to the other four Beneficiaries, namely HAMAG, HUP, HGK and HOK. Participating in the Project, including the focus on training the trainers and the five 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 establishment of the Communications Working Group (CWG) to oversee the preparation and implementation of the Communications Strategy and Action Plan is already leading to closer collaboration between the Beneficiaries. It is likely to contribute to a greater awareness of the necessity for a longer term mechanism for coordination and cooperation on key information and communication matters affecting the small business sector in Croatia.

## 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, as well as more effective information provision and communication with the enterprise sector. The future sustainability of Impact Assessment in Croatia is not dependent on the success or otherwise of this Project. However, successful implementation of this Project will contribute significantly to enterprise development in the country through more effective regulations, better *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 contribute to improvement of 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 of policy makers, especially MINGORP, HAMAG and business organisations, especially HGK, HOK and HUP, to be able to identify, analyse and communicate future impact of key legislative 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 three 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 legislative 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 conclusion on implementation is that the Project is not just proceeding according to plan, it is over-achieving across all four activity areas, compared with the plans set out in the ToR and Inception Report.

### 5.2 Recommendations for Next Implementation Period

During the 1<sup>st</sup> 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 were very intense during the 1<sup>st</sup> and 2<sup>nd</sup> Reporting Period.

The intensity of collaboration will be maintained in relation to the five IA Case Studies (albeit with a lesser focus on sectoral / sub-sectoral issues than originally envisaged) and especially the Communications Strategy and Action Plan during the remaining Reporting Periods. On the other hand, the main work associated with the Training and Mini Guides, as well as the BINS survey is largely complete and will require less active implementation.

No other changes in implementation of the Project are recommended by the Consultant.

# ANNEXES

- Annex 1** - Mini Guide - Consumer protection
- Annex 2** - Mini Guide - Environmental protection
- Annex 3** - Mini Guide - Intellectual property rights
- Annex 4** - Mini Guide - Public procurement
- Annex 5** - Mini Guide - Standards for agricultural products
- Annex 6** - Mini Guide - Standards for industrial products
- Annex 7** - Mini Guide - Competition policy and state aid
- Annex 8** - IA Manual (English)
- Annex 9** - IA Manual (Croatian)
- Annex 10** - One-day IA workshop - list of attendees
- Annex 11** - One-day IA workshop - lists of consulted organisations
- Annex 12** - One-day IA workshop - presentation
- Annex 13** - One-week Train the Trainers (TTT) on IA - presentation
- Annex 14** - One-week Train the Trainers (TTT) on IA - programme
- Annex 15** - Letters of commitment for IA
- Annex 16** - One-week Train the Trainers (TTT) on IA – list of participants
- Annex 17** - One-week Train the Trainers (TTT) on IA – certificate
- Annex 18** - CVs of STEs commissioned for UK study tour
- Annex 19** - CVs of STEs commissioned for Poland study tour
- Annex 20** - UK study tour programme
- Annex 21** - “Before” BINS - presentation
- Annex 22** - “Before” BINS report (English)
- Annex 23** - “Before” BINS report (Croatian)
- Annex 24** - Communication Strategy - English
- Annex 25** - Communication Strategy - Croatian
- Annex 26** - Action Plan - English
- Annex 27** - Action Plan - Croatian
- Annex 28** - STEs for the Communications Strategy and Action Plan
- Annex 29** - STEs for the Communication Training
- Annex 30** - Communications Training - presentation
- Annex 31** - Report on the communications training delivered

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