

ANNEX II: TERMS OF REFERENCE

Programme: IPA TAIB 2008

Partner country: Croatia

Area of Cooperation: Regional Policy

**Ex-ante evaluation of programming documents and strengthening
evaluation capacity for EU funds post-accession**

Project budget: € 500,000.00

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1. BACKGROUND INFORMATION

1.1. Beneficiary country

Republic of Croatia

1.2. Contracting Authority

Central Finance and Contracting Agency

1.3. Relevant country background

Croatia applied to become an EU Member State in March 2003 and in June 2004 officially received a candidate country status. The EU accession negotiations with Croatia started in October 2005.

The country started building its own institutional system for the receipt of EU funds at the beginning of 2001. The system has been evolving over time, in line with EC requirements for the management of different programmes open to Croatia – CARDS in the period 2001-2004 and pre-accession programmes (Phare, ISPA, Sapard) in the period 2005-2006.

Since 2007, the single integrated 'Instrument for Pre-Accession Assistance' (IPA) provides assistance to building institutional capacity for efficient implementation of the *acquis* and prepares for the management of Cohesion and Agricultural Policy instruments. For the use of components III and IV of IPA instrument, Croatia has prepared a document called Strategic Coherence Framework ("mini" National Strategic Reference Framework) and four operational programmes. Those operational programmes were *ex-ante* evaluated prior to their formal adoption, and they are currently under implementation in Croatia. For the use of Agricultural Policy instruments under fifth component of IPA programme, Croatia has prepared Agriculture and Rural Development Plan (ARDP - IPARD programme 2007-2013). ARDP is currently under implementation for measures 101 (Investments in agricultural holdings to restructure and to upgrade to Community standards) and 103 (Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards), while accreditation process for remaining measures is underway.

After accession to the EU, Croatia will be eligible for EU Structural and Cohesion Funds (SCF) under Council Regulation (EC) No 1083/2006. The financial assistance from the SCF will be organised and channelled through five Operational Programmes (OPs) within the framework of National Strategic Reference Framework (NSRF). The Operational Programmes are being designed in compliance with the national strategic priorities.

In addition, in the post-accession period Croatia will benefit from the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF). The EFF serves as a financial instrument for achieving the goals of the EU Common Fisheries Policy (CFP). The EU *acquis* governing the structural policy and related mechanisms in the fisheries sector comprises the Council Regulation (EC) No 1198/2006 and Commission Regulation (EC) No 498/2007. The financial assistance from the EFF will be given through the Operational Programme for Fisheries, derived on the basis of priorities, objectives, public spending estimates and deadlines set within the National Strategic Plan (NSP). On the other hand, the EAFRD serves as a financial instrument for achieving goals of the EU Common Agricultural Policy (CAP). Based on the Council Regulation (EC) No 1698/2005, 74/2009 on support for rural development by the EAFRD and the Community Strategic Guidelines for rural development 2007-2010 Council Decision 2006/144/EC the Croatian Government is preparing a National Strategic Plan (NSP) and a Rural Development Programme 2012-2013.

1.4. Current state of affairs in the relevant sector

In line with Croatia's EU accession objective and the commitments from negotiations of Chapter 22 "Regional Policy and Coordination of the Structural Instruments", the Croatian Government is preparing a National Strategic Reference Framework (NSRF) and five Operational Programmes, namely:

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- OP Transport
- OP Environment and Energy
- OP Regional Competitiveness
- OP Human Resources Development
- OP Administrative Capacity Development

All above OPs are elaborated in accordance with the Community Strategic Guidelines and in conformity with the Regulation (EC) 1083/2006 and the Regulation (EC) 539/2010.

The Act on Structural Support and Organisation of Market in Fisheries (OG 153/09) represents a legal basis for setting up a fully functional system for the implementation of the structural policy in fisheries. In particular, it sets the basis for the development of a National Strategic Programme and an Operational Programme as well as designates the bodies, procedures and timeframes for their adoption. OP Fisheries is being elaborated in accordance with the EFF's strategic objectives and priority axes and in conformity with the Regulation (EC) 1198/2006. The Croatian Government is currently preparing a National Strategic Plan (NSP) and a Rural Development Programme 2012-2013, in accordance with the Council Regulation (EC) No 1698/2005, 74/2009 on support for rural development by the EAFRD and the Community Strategic Guidelines for Rural Development 2007-2010, Council Decision 2006/144/EC.

Through current implementation of the Instrument of Pre-accession Assistance (IPA), Croatia is preparing for the implementation of the Cohesion Policy, therefore, bodies involved in the current management of the funding instruments will be largely responsible for the future implementation of funds post-accession. Namely, the Central Office for Development Strategy and Coordination of EU Funds (CODEF) is in charge of coordination, monitoring and evaluation of the EU funds and is responsible for overseeing the preparation and implementation of the National Strategic Reference Framework (NSRF) and all of the Operational Programmes (OPs). Post-accession, it will act as the Coordinating Authority for the NSRF. The National Fund of the Ministry of Finance is the body responsible for the financial management of pre-accession funds Phare, ISPA, SAPARD and IPA and it will evolve into the single Certifying Authority under the Structural Funds.

As for the sectoral programming documents to be prepared in line with the EU Cohesion Policy, Fisheries Policy and Rural Development Policy there are currently several bodies responsible for the preparation and future management of the programmes: the Ministry of Economy, Labour and Entrepreneurship is the body responsible for the preparation and management of the Regional Competitiveness Operational Programme; the Ministry of Sea, Transport and Infrastructure is the body responsible for the preparation and management of the Transport Operational Programme; the Ministry of Environmental Protection, Physical Planning and Construction is the body responsible for the preparation and management of the Environment and Energy Operational Programme; the Ministry of Economy, Labour and Entrepreneurship is the body responsible for the preparation and management of Human Resources Development Operational Programme; the Ministry of Public Administration is the body responsible for the preparation and management of the Administrative Capacity Development Operational Programme; the Ministry of Agriculture, Fisheries and Rural Development is the body responsible for the preparation and management of the Fisheries Operational Programme and Rural Development Programme.

The present project aims to provide independent analysis of the National Strategic Reference Framework (NSRF) and seven programming documents under the EU Cohesion Policy, Fisheries Policy and Rural Development Policy and formulate recommendations for adjustments in order to ensure good programme performance and optimise the impact of Structural and Cohesion Funds, European Agricultural Fund for Rural Development and European Fisheries Fund absorption and management.

The ex-ante evaluation is compulsory for every OP according to the regulatory framework for the period 2007-2013. The present ex-ante evaluation of the NSRF and OPs shall aim to optimise the allocation of budgetary resources under the Operational Programmes and improve programming quality. It shall identify and appraise medium- and long-term needs, the goals to be achieved, the results expected, the

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quantified targets, the coherence of the strategy proposed, the Community value-added, the extent to which the Community's priorities have been taken into account and the quality of the procedures for implementation, monitoring, evaluation and financial management.

The NSRF and OPs ex-ante evaluation will be a valuable source of additional expertise, verification, and advice in NSRF and OPs development and implementation. It will also assist the future MAs to cope with the process of aligning the content of the programmes with the EC regulations. The ex-ante evaluation team should take into account the most recent developments in the reform of EU cohesion policy and verify its compliance with Community objectives. All findings and recommendations of the ex-ante evaluation will be discussed, considered and upon decision incorporated in the NSRF and the relevant OPs.

So far, Croatia has had limited experience with evaluations, mostly through EU funded projects and programmes. CODEF, as the NSRF Coordinating Authority, will be the central body for evaluation of Structural Funds/Cohesion Fund, therefore it is already undergoing preparations for its future role. Namely, the Evaluation Strategy for EU Structural Funds/Cohesion Fund, setting up the institutional framework and the specific arrangements for evaluating the Structural Funds/Cohesion Fund in Croatia, is being drafted within the framework of the Phare 2006 "Development of Institutional Capacity for the Management of EU Structural Funds Post-Accession-Institution Building Component" project.

1.5. Related programmes and other donor activities

PHARE 2006 - Development of Institutional Capacity for the Management of EU Structural Funds Post-Accession; Institution Building Component (Central Office for Development Strategy and Coordination of EU Funds, started November 2008, expected completion November 2010)

The project assists with the preparation of the National Strategic Reference Framework and the Operational Programmes by providing long-term and short-term expertise to the Central Office for Development Strategy and Coordination of EU Funds (CODEF) and the future OP Managing Authorities. It also assists with setting up of the monitoring and evaluation system in Croatia through the finalization and testing of the IPA MIS and the preparation of the tendering documentation for continued support with the Structural Funds MIS. Furthermore, it supports the setting up of an institutional system for the management of Structural Funds and Cohesion Fund in Croatia.

IPA Component III and IV Operational Programmes - Technical Assistance Priority Axis (IPA operating structures, TA priority for IPA IIIA started as of February 2010, expected completion in August 2012; TA priority for IPA IIIB started as of April 2009, expected completion in March 2012; TA priority for IPA IIIC started in July 2010, expected completion in April 2013; TA priority for IPA IV started in November 2009, expected completion in November 2012)

The operational programmes envisaged under IPA Component III (Transport OP, Environmental OP and Regional Competitiveness OP) and the Human Resources Development OP under IPA component IV each include a separate technical assistance priority axis, to support OP management and project pipeline preparation. Where this priority axis envisages assistance with programming of future/revised OPs, it will take duly into account the findings of evaluations produced under this IPA 2008 TA project.

Phare 2005 "Institutional Capacity Building and Support to the Directorate of Fisheries in Administering and Control of Common Fisheries Policy (CFP)" twinning project (Ministry of Agriculture, Fisheries and Rural Development; project completed)

The project provided administrative capacity building support to the Directorate of Fisheries - Sector for Structural and Market Policy in Fisheries, from the aspect of introducing the staff to the institutional system for management and control of implementation of the Operational programme for EFF, as well as the strategic documents (National Strategic Plan and Operational programme). The service component of the project "Designing and implementing National Fisheries Management Strategy and delivery mechanisms for organization of market in fisheries provided for direct assistance in drafting of the National Strategic Plan (NSP) as required under the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund.

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IPA TAIB 2007 TAF – Country Programme Interim Evaluation (CPIE) started in September 2010, expected completion in March 2011.

Through the project relevance, efficiency, effectiveness, impact and sustainability of assistance provided under Phare and IPA TAIB programmes will be assessed and evaluated. The project will focus on conducting the programme evaluation with one specific case study that will examine the impact and sustainability of a selected group of projects with large supply components.

IPA TAIB 2008 - Support to the Management, Monitoring and Evaluation of the Structural Instruments in Croatia (CODEF, Ministry of Finance – National Fund, Ministry of Regional Development, Forestry and Water Management; expected start of earliest contract in second quarter of 2011, expected completion of last contract in third quarter of 2013)

The preparation of ex ante evaluations of Operational Programmes and the enhancement of the Structural Funds system capacity – with regards to evaluation – are linked to activities which will be ongoing in parallel under another contract of the same IPA TAIB 2008 project – a twinning contract “Enhancement of capacity for effective management of EU Cohesion policy funds”. The latter will assist with the finalization of the Operational Programmes and with the enhancement of other aspects of Structural Funds management in Croatia.

IPA 2008 FPP RAC “Assistance to Croatian Fisheries Administration in Development of Operational Programme and related Publicity Strategy” (Ministry of Agriculture, Fisheries and Rural Development, project start envisaged in fourth quarter 2010 and finalization in third quarter 2011)

The project will provide assistance in drafting of the EFF Operational programme and related Publicity strategy. The two documents, along with the National strategic plan which should be finalized and adopted nationally during the course of 2010, together constitute a firm strategic basis for the implementation of EFF, which shall be in place by the end of first quarter 2011.

IPA 2009 FPP RAC “Strengthening of Croatian Administration in Charge for Structural Policy and State Aid in Fisheries” (Ministry of Agriculture, Fisheries and Rural Development, project start envisaged mid 2011; envisaged duration of the project is 15 months).

The project was approved by the EUD in June 2010 and should support capacity strengthening of the Management and Certifying Authority within the Ministry of Agriculture, Fisheries and Rural Development (MAFRD). The objective of the project is to support the mentioned institution in strengthening the administrative system necessary for implementation of structural policy in fisheries with particular reference to management and certification as well as the capacities of assessment, approval and notification of state aid schemes in fisheries.

2. OBJECTIVE, PURPOSE & EXPECTED RESULTS

2.1. Overall objective

The overall objective of this project is to contribute to effective implementation and management of EU Cohesion Policy funds in Croatia, in line with the EU requirements.

2.2. Purpose

The purpose of this project is to undertake evaluation activities for the purpose of programming EU assistance, in line with Council Regulations No. 1083/2006, 1698/2005, 74/2009 and 1198/2006, and to establish capacity for evaluation of EU co-funded programmes on Croatia’s EU accession.

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2.3. Results to be achieved by the Consultant

The following results should be achieved by the Consultant:

Component I.

Overall quality of the programming documents improved by performing eight separate *ex ante* evaluations (including evaluations of achievements and lessons learned from implementation of counterpart Operational Programmes under IPA Components III, IV and V), as follows:

1. Ex-ante evaluation of the NSRF
2. Ex-ante evaluation of the OP Transport
3. Ex-ante evaluation of the OP Environment and Energy
4. Ex-ante evaluation of the OP Regional Competitiveness
5. Ex-ante evaluation of the OP Human Resources Development
6. Ex-ante evaluation of the OP Administrative Capacity Development
7. Ex-ante evaluation of the OP Fisheries
8. Ex-ante evaluation of the Rural Development Plan

Component II.

Evaluation capacity for EU Cohesion Policy funds management strengthened:

- Evaluation capacity strengthened in key institutions involved in management of EU Cohesion Policy in Croatia;
- Mechanisms put in place for CODEF's coordination of evaluation of EU Cohesion Policy funding.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project intervention

- EU accession process proceeds at good speed and without interruption;
- Government commitment to effective use and management of EU funds kept up, among other by enabling sufficient human and financial resources;
- NSRF and OPs available in mature draft form at the start of the assignment of the relevant evaluator/s;
- Evaluation strategy available in mature draft form at the start of the assignment of experts for capacity building in evaluation of Cohesion Policy.

3.2. Risks:

There is no major risk detected. Should there be delays in the preparation of mature drafts of some of the programming documents to be evaluated under the project, the necessary arrangements will be undertaken in order to postpone the work of some of the evaluators and/or to allow for a second round of evaluation of a particular programming document at a later phase so that the first round of evaluation can in fact help with the finalization of a first mature document draft).

4. SCOPE OF THE WORK

4.1 General

4.1.1. Project description

The contractor is expected to carry-out an ex-ante evaluation described in the point 2.3. of this TOR taking into account the elements described in the following paragraphs:

Analysis of the implementation of pre-accession programmes (ISPA, components III, IV and V of IPA) in Croatia will reflect experience gathered and lessons learnt by the Croatian state administration bodies in the entire IPA/ISPA project cycle, from programme preparation to programme monitoring. It will especially deal with the issue of effectiveness and efficiency of interventions in the work with the EU pre-accession financial instruments and draw conclusion regarding the adequateness of the existing delivery mechanisms for the management of Structural Funds and Cohesion Fund upon accession.

Analysis of existing administrative capacity, in the bodies designated for the management of the NSRF and the OPs, will establish the needs for further capacity building and institutional support with respect to programme management, monitoring of the operations, financial management, control and audit.

Appraisal of the socio-economic analysis in terms of strengths and weaknesses, and the relevance of the resulting needs assessment will be undertaken. The recommendations for improvement of the SWOT analysis must be coherent with the analysis of the current situation and to ground the NSRF and OPs strategy. An assessment of the relevance of the strategy to the identified needs will be included.

The ex-ante evaluation will also provide an appraisal of the consistency of the strategy, including the analysis of the relationship between the priority axes of each OP, as well as between the NSRF and OPs objectives and those of the EU Cohesion Policy and the Lisbon strategy.

The ex-ante evaluation should contribute to the identification of the relevant indicators in order to appraise the potential impact of the strategy on the achievement of the objectives of the national strategic documents. It is important that the identification of relevant indicators allows that monitoring and measurement can lead to effective and meaningful analysis and evaluation of impact. It will also be important to assess the relevance of indicators, targets and baselines in the context of an overall framework of monitoring and evaluation, as well as the process of data collection.

The ex-ante evaluation should review the rationale behind the priority axes and their operations and assess their relevance with respect to the OPs objectives and NSRF thematic priorities. EC comments received meanwhile through consultations and discussions on NSRF and OPs should be taken into consideration. An analysis of the expected impacts, namely social, economic and administrative should be provided. The ex-ante evaluation will assess the sound foundation of the strategy and will appraise the coherence between needs, priority axes, activities and allocation of financial resources. The expected impacts should justify the allocation of resources. The financial resources allocated to each priority axis should be examined in terms of sufficiency and contribution to the achievement of the programme's objectives.

The ex-ante evaluation should also assess the possibility of overlaps and propose amendments to the OPs, which will lead to a coherent and coordinated approach.

The ex-ante evaluation should review the implementation arrangements with respect to the OPs and their priority axes and if necessary, will propose improvements. The ex-ante evaluation will include assessment of the quality and appropriateness of the programme management structures and monitoring arrangements foreseen for the OPs. This should include an examination of previous experiences and an appraisal of risk which might affect the implementation of the OP/Priority axes. Particular attention will be given to the mechanisms for effective and transparent partnership and participation of the relevant partners.

The analysis and the strategy of the NSRF and the OPs should be accompanied by the analysis of the system of indicators. Indicators should be SMART, baseline data should be available and checked at the level of objectives, priority axes and operations. Target values should be appraised and justified.

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The ex-ante evaluation of the eight programming documents under examination should be carried out promptly, to allow for timely start of OP implementation. Ideally, evaluations should be carried out within a 6 month period. Depending on the maturity of individual OP drafts, an evaluation may take place in phases, so that the final evaluation report reflects the content of a mature draft. Since the process of ex-ante evaluation will accompany preparation of programming documents, the work of evaluators will also provide inputs in the course of their drafting.

Since Croatia has had limited experience with evaluation, it is essential to strengthen evaluation capacity in key institutions involved in Cohesion policy management, in light of the need for independent management of evaluations under the Structural Funds post-accession. Part of assistance under this contract is envisaged for CODEF in implementing the Evaluation Strategy, coordinating activities and evaluation capacity across the administration. That assistance is envisaged through trainings and on-the-job advice in order to put in place effective mechanisms for CODEF's coordination of evaluation of EU Cohesion policy funding.

4.1.2. Geographical area to be covered

Republic of Croatia.

4.1.3. Target groups

Central State Office for Development Strategy and Coordination of EU Funds (CODEF) as the main coordinator and future OP Managing Authorities:

1. For OP Transport – Ministry of the Sea, Transport and Infrastructure
2. For OP Environment and Energy – Ministry of Environment Protection, Physical Planning and Construction
3. For OP Regional Competitiveness – Ministry of Economy, Labour and Entrepreneurship
4. For OP Human Resources Development - Ministry of Economy, Labour and Entrepreneurship
5. For OP Administrative Capacity Development – Ministry of Public Administration
6. For OP Fisheries – Ministry of Agriculture, Fisheries and Rural Development
7. For Rural Development Plan- Ministry of Agriculture, Fisheries and Rural Development

4.2 Specific activities

The project will start with the Inception phase.

Project activities in the inception period are:

1. Establishment of a project office,
2. Recruitment of local support staff;
3. Defining in detail job descriptions for project team;
4. Mobilisation of the project team on the basis of job descriptions,
5. Organization of a kick-off meeting held with CODEF and other key stakeholders;
6. Establishment of Project Steering Committee;
7. Familiarisation with the activities, outputs and results of all related, preceding and on-going projects;
8. Familiarisation with all relevant Croatian strategic and programming documents relating to structural funds, as well as EC comments in relation to these documents;

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9. Carrying out a thorough assessment of these Terms of Reference in the light of the actual situation 'on the ground' at the beginning of the project and recommending any necessary adjustments /amendments (including to the Logical Framework presented in the contractor's technical proposal). This assessment should include an examination of the foreseen project activities and outputs in relation to the proposed inputs and should, if necessary, propose adjustments to these;
10. Preparation of Inception report, based on the assessment performed, to be delivered to the Beneficiary and the Contracting Authority for agreement and approval. The Inception report is to refer to the action plan from the technical proposal (including a timetable for all components identified in the project activities, a schedule for the achievement of results, an input schedule and, if necessary, a revised log-frame) and is to specify a schedule of reporting on project activities;
11. Presenting the Inception report to the Project Steering Committee for adoption.

Minimum expected outputs of the inception phase are:

1. Project office fully operational and adequately staffed;
2. Job description for project team defined in detail and confirmed;
3. Local support staff recruited;
4. Project team mobilized;
5. Kick-off meeting organized;
6. Project Steering Committee established;
7. Project team familiar with previous /on-going projects and relevant sector strategies;
8. Project team familiar with all relevant Croatian strategic and programming documents relating to structural funds, as well as EC comments in relation to these documents;
9. Assessment of these Terms of Reference performed in the light of the actual situation 'on the ground' and recommendations made on any necessary adjustments /amendments;
10. Draft Inception Report prepared and presented to the Beneficiary for approval within two weeks following the finalization of the inception phase
11. Inception Report presented to the Project Steering Committee for adoption.

The estimated duration period of inception phase is 4 weeks.

Detailed time schedule should be proposed and accepted within 4 weeks following the finalization the inception period. It is expected from the applicant to propose a balanced assignment of the experts and allocate them to specific tasks that are compliant with the experts' profiles.

Component I - Ex-ante evaluations of NSRF and related Cohesion Policy OPs and programming documents under the EU Fisheries Policy and Rural Development Policy

Activities that will have to be performed for each of eight separate ex ante evaluations, which include evaluation of NSRF and seven programming documents (NSRF-related Cohesion Policy OPs and programming documents under the EU Fisheries Policy and Rural Development Policy) are following:

1. Analysis of socio-economic situation, including the analysis of strengths, weaknesses, opportunities and threats;
2. Assessment of the strategic approach and its overall consistency with relevant national and EU strategic documents;
3. Assessment of the appropriateness of selected monitoring indicators and of their quantification;
4. Assessment of priority axes and key areas of intervention;

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5. Assessment of coherence, coordination, partnership and overlap avoidance mechanisms;
6. Evaluation of expected social, economic and administrative impacts;
7. Analysis of existing administrative capacity;
8. Assessment of the quality of management and implementation arrangements;
9. Defining and refining a system of multi-level indicators;
10. Assessment of coherence and of lessons learned – in policy-making, implementation, absorption and capacity needs – from the experience under previous EU assistance, especially IPA Components III, IV and V. In order to allow for this assessment, an interim evaluation of the corresponding IPA Operational programme should be carried out;
11. Preparing conclusions and recommendations for revising and modifying each of the programming documents evaluated, based on undertaken analyses and assessments;
12. Preparation of ex ante evaluation reports for individual programming documents, based on all above-mentioned activities, in draft and final form;
13. Organization of at least one de-briefing/discussion session per programming document, in order to present findings and discuss their implications or to discuss revisions made to the documents;
14. Regular reporting activities on project activities to the Beneficiary, of a form and frequency agreed with the Beneficiary in the Inception Report.

Minimum expected outputs of this Component related to each of eight separate ex ante evaluations are

1. Analysis of socio-economic situation, including the analysis of strengths, weaknesses, opportunities and threats performed;
2. Assessment of the strategic approach and its overall consistency with relevant national and EU strategic documents performed;
3. Objectives quantified;
4. Assessment of priority axes and key areas of intervention performed;
5. Assessment of coherence, coordination, partnership and overlap avoidance mechanisms performed;
6. Evaluation of expected social, economic and administrative impacts performed;
7. Analysis of existing administrative capacity performed;
8. Assessment of the quality of management and implementation arrangements performed;
9. A system of multi-level indicators defined and refined;
10. Assessment of coherence and lessons learned from the experience under previous EU assistance, especially IPA Components III, IV and V, performed, based on an interim evaluation of corresponding IPA Operational programme;
11. Conclusions and recommendations prepared for revising and modifying each of the programming documents evaluated;
12. Ex ante evaluation reports prepared for individual programming documents, in draft and final form;
13. At least one debriefing/discussion session organized per programming document;
14. Regular reports on project activities delivered to the Beneficiary.

The project implementation is envisaged to start in July 2011. It is estimated that the evaluation activities should be carried out within a 6 month period. Depending on the maturity of individual OP drafts, the evaluation may take place in phases, so that the final evaluation report reflects the content of a mature OP drafts. Since the process of ex-ante evaluation will run concurrently with the preparation of programming documents, the evaluators will also provide valuable inputs in the course of the documents' drafting.

The duration of this project is sufficient to accommodate for possible delays in the finalization of the mature drafts of any of the relevant documents.

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Component II - Strengthening evaluation capacity for EU Cohesion Policy funds management

Activities on strengthening evaluation capacity for EU Cohesion Policy funds management:

1. Assessment of the capacity and knowledge about the evaluation process in the future NSRF Coordinating Authority, Managing Authorities and Intermediate Bodies, from the point of view of fulfilling the EC requirements with regard to evaluation of Cohesion Policy programmes;
2. Review of draft Evaluation Strategy for Structural and Cohesion Funds (prepared by CODEF) and preparation of an improved document;
3. Preparation of a roadmap for building the evaluation capacity in relevant institutions in line with the Evaluation Strategy;
4. Support with the development of individual evaluation plans and methodology/procedures for Cohesion Policy programmes;
5. Establishment of guidelines for the preparation of tender documents for evaluation activities;
6. Support to the NSRF Coordinating Authority in the establishment and work of an evaluation working group (EWG) whose aim is to ensure that evaluation is actively used as a tool for enhancing the management of EU Cohesion Policy funding in Croatia;
7. Design of training modules on different aspects of evaluation, based on the assessment of evaluation capacity and in line with the Evaluation Strategy;
8. Delivery of 8 trainings on aspects of evaluation (including train the trainers), each training for approximately 20 staff members of the NSRF Coordinating Authority, Managing Authority and Intermediate Bodies, and other relevant institutions;
9. On the job assistance to CODEF in implementation of the Evaluation Strategy, management of the EWG and quality control of evaluation reports and content of tendering documentation for evaluation contracts;
10. Regular reporting activities on project activities to the Beneficiary, of a form and frequency agreed with the Beneficiary in the Inception Report.

Minimum expected outputs of this Component are:

1. Assessment performed of the capacity and knowledge about the evaluation process in the future NSRF Coordinating Authority, Managing Authorities and Intermediate Bodies, from the point of view of fulfilling the EC requirements with regard to evaluation of Cohesion Policy programmes;
2. Review performed of draft Evaluation Strategy for Structural and Cohesion Funds prepared by CODEF and an improved version the document prepared;
3. Roadmap prepared for building the evaluation capacity in relevant institutions in line with the Evaluation Strategy;
4. Support with the development of individual evaluation plans and methodology/procedures for Cohesion Policy programmes provided;
5. Guidelines for the preparation of tender documents for evaluation activities prepared;
6. Support provided to the NSRF Coordinating Authority in the establishment and work of an evaluation working group (EWG);
7. Training modules designed on different aspects of evaluation;
8. Eight (8) trainings on aspects of evaluation (including train the trainers) each delivered to approximately 20 staff members of the NSRF Coordinating Authority, Managing Authority and Intermediate Bodies, and other relevant institutions;
9. On the job assistance provided to CODEF in implementation of the Evaluation Strategy, management of the EWG and quality control of evaluation reports and content of tendering documentation for evaluation contracts;
10. Regular reports on project activities delivered to the Beneficiary.

The consultant is expected to organize one visibility event / debriefing session during the lifetime of the project to disseminate information on the projects' activities and outputs. Various printed visibility and informational materials will be prepared and translated into Croatian in order to increase impact of the project; project brochure, leaflets, publication of Evaluation strategy. The consultant will, together with the Beneficiary, plan and organize workshops in Croatia as needed. Visibility materials will be

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disseminated at each such event. All visibility activities must follow the EU Visibility Guidelines for External Actions. They can be found on the European Commission website: http://ec.europa.eu/europeaid/work/visibility/index_en.htm.

4.3 Project management

4.3.1. Responsible body

The Contracting Authority for project implementation is the Central Finance and Contracting Agency (CFCA) of the Republic of Croatia. A project manager will be appointed among the staff of the Directorate for Preparation and Implementation of Projects of the CFCA. The Project Manager may decide on all issues related to the technical elements of this project (mainly the deliverables as outlined in section 4.2. of these Terms of Reference). He/she will however always do this in consultation with the designated representatives of the project beneficiaries. The responsibility for approving project reports, other project documents, Consultant's invoices, addenda to the contract and any other requests related to the contract lies with the Contracting Authority. Prior agreement on these will have to be obtained from the project beneficiaries.

4.3.2. Management structure

A **Project Steering Committee (PSC)** will be established for the supervision and monitoring of the project with the participation of the relevant stakeholders and the Contracting Authority. The contractor will provide the secretariat for the PSC. PSC meetings will be chaired by the SPO or deputy SPO from CODEF. Regular meetings of the PSC should be held at least twice during the implementation of the project: at the presentation of the Inception report as well as upon submission of the draft Final report. If necessary, an additional PSC meeting will be organized upon submission of the Interim report with aim to review the progress and provide guidance on upcoming implementation phases. The team leader will report directly to the PSC and will explain the results and impact of the assistance provided by the project team to date (i.e. since the last PSC meeting), the assistance planned up until the next scheduled PSC meeting, the recommendations made on the basis of assistance already undertaken and the follow-up actions needed to implement these recommendations.

The first PSC meeting should be held at the end of the Inception Phase and should examine and approve the Inception Report. Subsequent meetings of the PSC will likewise examine and approve project Interim Reports. Additional PSC meetings should be held as deemed necessary by the project partners.

The PSC should include at least the following members:

- Senior official(s) from CODEF
- Senior official(s) from the Ministry of Finance
- Representative(s) of key institutions involved in SF OP management:
 - Ministry of the Sea, Transport and Infrastructure
 - Ministry of Environmental Protection, Physical Planning and Construction
 - Ministry of Regional Development, Forestry and Water Management
 - Ministry of Economy, Labour and Entrepreneurship
 - Ministry of Public Administration
 - Ministry of Agriculture, Fisheries and Rural Development
- Representative(s) from the Contracting Authority
- Representative(s) from the EU Delegation in Zagreb

B. **Project Implementation Unit (PIU)**, located in CODEF, is responsible for day-to-day management of the project, including coordination of all institutional stakeholders that are involved in implementation.

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The PIU is responsible for providing the contractor with the necessary support, for organizing and chairing project progress meetings and for monitoring project progress.

4.3.3. Facilities to be provided by the Contracting Authority and/or other parties

The project partner (CODEF) will provide furnished office space with basic office equipment, necessary logistical support for a successful implementation of the project, as well as premises for the Project Steering Committee and monthly project progress meetings. Office equipment and necessary logistical support for a successful implementation of the project will be provided by the relevant Managing Authority to those experts engaged for ex-ante evaluation of their Operational Programme. The project beneficiary (CODEF) and other line beneficiary institutions will provide adequate human resources to support the work and interact with the consultant on a daily basis and to monitor project progress.

5 LOGISTICS AND TIMING

5.1 Location

The project office will be located in Zagreb, in the premises of CODEF.

5.2. Commencement date & Period of implementation

The intended commencement date is July 2011 and the period of execution of the contract will be 12 months from that date. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

6. REQUIREMENTS

6.1. Personnel

6.1.1. Key experts

Common requirements for all experts:

All experts who have a crucial role in implementing the contract are referred to as key experts. Each Key expert should spend at least 85 % of working days in Croatia actively working with the project stakeholders. The profiles of the key experts for this contract are stated below. Any offer which does not fulfill the below defined minimum requirements (except advantages) will be declared as technically non-compliant and will not be the subject of further examination.

Fulfilment of the minimum requirements will not automatically lead to reaching maximum scores as presented in the Evaluation grid. The requirement stated as an advantage will be awarded with maximum four (4) points.

The profiles of the key experts for this contract are as follows:

Key expert 1: Team Leader, Ex-ante evaluation expert - NSRF

Qualifications and skills

- University level education (in duration of minimum 4 years) or equivalent general professional experience of 15 years
- Working knowledge of English language
- Computer literacy

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General professional experience

- 8 years of professional experience in public expenditure programmes, out of which at least 4 years of professional experience related to the evaluation of public expenditure programmes,
- Experience in conducting evaluations of Cohesion policy interventions,
- Experience as a project team leader on at least one technical assistance project is an advantage.

Specific professional experience

- Experience of at least 3 evaluations of EU programmes in EU member states,
- Experience in leading at least 1 ex-ante evaluation of either NSRF or OP in the context of EU funds.

Minimum required working days in Croatia: 100

Key expert 2: Expert for capacity building in evaluation

Qualifications and Skills

- University level education (in duration of minimum 4 years) or equivalent general professional experience of 10 years,
- Working knowledge of English,
- Computer literacy.

General Professional Experience

- 5 years of professional experience in public expenditure programmes, out of which at least 3 years of professional experience related to evaluation of public expenditure programmes,
- Experience in evaluating Cohesion policy interventions in EU member states.

Specific Professional Knowledge

- 3 years of experience in the field of development and application of evaluation methodology of EU-funded programmes,
- Experience in delivering evaluation related trainings.

Minimum required working days in Croatia: 80

Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts, unless prior written approval has been obtained from the European Commission.

6.1.2. Other experts

CVs for experts other than the key experts are not examined prior to the signature of the contract. They should not have been included in tenders.

The Consultant shall select and hire other experts as required according to the profiles identified in the Organisation & Methodology and these Terms of Reference.

They must indicate clearly which profile they have so it is clear which fee rate in the budget breakdown will apply. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

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The selection procedures used by the Consultant to select these other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience. The findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority.

The minimum input for non-key experts is 430 working days. Non-key experts shall spend at least 85% of allocated working days in Croatia, working in close cooperation with the beneficiaries.

It is expected that additional experts will be required for the following tasks:

- Evaluation of OP related to transportation, co-financed by the ERDF and the Cohesion Fund;
- Evaluation of OP related to environment and energy, co-financed by the ERDF and the Cohesion Fund;
- Evaluation of OP related to regional competitiveness, co-financed by the ERDF;
- Evaluation of OP related to human resources development, co-financed by the ESF;
- Evaluation of OP related to administrative capacity development, co-financed by the ESF;
- Evaluation of OP co-financed by the European Fisheries Fund;
- Evaluation of OP co-financed by the European Agriculture Fund for Rural Development;
- Institution and capacity building for the evaluation of EU-funded programmes.

The basic requirements for non-key experts are as follows:

General Requirements:

- University level education
- Working knowledge of English
- Computer literacy.

In addition, they need to have the following experience in EU Member States:

Non-Key Expert(s) for ex ante evaluations (under Component 1)

- experience of 2 evaluations of EU-funded programmes similar to the evaluation they will be involved with in Croatia,
- experience in management or monitoring or evaluation of an Operational Programme similar to that with whose evaluation they will be involved with in Croatia,
- experience of at least 1 ex ante evaluation of an Operational Programme.

Non-Key Expert(s) for Strengthening evaluation capacity (under Component 2)

- 3 years of experience in development and application of methodology of evaluation of EU-funded programmes, including delivering of evaluation related trainings.

6.1.3. Support staff & backstopping

The contractor is expected to hire at least a part-time local office manager/project coordinator for the whole duration of the project. The office manager would be in charge of day-to-day management of the project office and will assist the project in liaison with all project beneficiaries. The office manager should be a Croatian native speaker with fluent spoken and written English, and preferably experience of office management from other international projects.

The contractor shall ensure appropriate backstopping support. Therefore a Project Director from the contractor's headquarters should be appointed for the whole duration of the project. S/he shall have the overall responsibility for the smooth and timely implementation of the project and the efficient use of

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funds. The Project Director must have experience from similar assignments, and will have the following specific responsibilities:

- Coordination of overall project activities;
- Ensure proper reporting according to EC reporting guidelines and requirements;
- Ensure coordination between the project office, the contractor's headquarters, the Contracting Authority and the Project Partner;
- Ensure proper administrative control of the project's expenses, preparation of invoices with supporting documentation, and the timely delivery of reports;
- Participation in the PSC meetings.

Backstopping costs are considered to be included in the fee rates. The costs of support staff must be included in the fee rates of the experts. All costs of interpretation and translation necessary for the daily work of the KEs and STEs are to be included in the experts' fee rates.

6.2. Office accommodation

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the contract is to be provided by the Beneficiary institution.

6.3. Facilities to be provided by the Consultant

The Consultant shall ensure that experts are adequately supported and equipped. In particular it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support its activities under the contract and to ensure that its employees are paid regularly and in a timely fashion.

Within the fee rates of the experts the Consultant has to cover:

- International travel costs of experts
- All support staff and backstopping costs;
- All necessary equipment for the team of experts (PCs, notebooks, etc.). It is especially requested that the short-term experts will have their own notebooks;
- Project-related local and international telecommunications charges.

If the Consultant is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium member a fixed percentage of the work to be undertaken under the contract should be avoided.

6.4. Equipment

No equipment is to be purchased on behalf of the Contracting Authority / beneficiary country as part of this service contract or transferred to the Contracting Authority / beneficiary country at the end of this contract. Any equipment related to this contract which is to be acquired by the beneficiary country must be purchased by means of a separate supply tender procedure.

6.5 Incidental expenditure

The Provision for incidental expenditure covers the ancillary and exceptional eligible expenditure incurred under this contract. It cannot be used for costs which should be covered by the Consultant as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V of the contract.

The Provision for incidental expenditure for this contract is EUR 12.000,00. This amount must be used for covering the following costs:

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- travel costs and subsistence allowances for missions to be undertaken as part of this contract from the base of operations in the beneficiary country,
- cost of organizing training workshops and seminars, including room and equipment hire, refreshments, printing of training materials, translation of training materials and interpretation;
- cost of printing visibility and informational materials eg. publications, project brochure, leaflets, including printing and translation of these materials into Croatian;
- cost of organizing visibility event including hiring of a suitable venue and audio-video equipment, costs of catering and interpretation.

This amount has to be included without modification in the Budget breakdown.

Any subsistence allowances to be paid for missions undertaken as part of this contract from the base of operations in the beneficiary country must not exceed the per diem rates published on the Web site http://ec.europa.eu/europeaid/work/procedures/index_en.htm at the start of each such mission.

6.6. Expenditure verification

The Provision for expenditure verification relates to the fees of the auditor who has been charged with the expenditure verification of this contract in order to proceed with the payment of pre-financing instalments if any and/or interim payments if any.

The Provision for expenditure verification for this contract is EUR 9,000. This amount must be included without modification in the Budget breakdown.

This provision cannot be decreased but can be increased during the execution of the contract.

7. REPORTS

7.1. Reporting requirements

Please refer to Article 26 of the General Conditions. Interim reports must be prepared every six months during the period of implementation of the tasks. They must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the General Conditions. There must be a final report, a final invoice and the financial report accompanied by an expenditure verification report at the end of the period of implementation of the tasks. The draft final report must be submitted at least one month before the end of the period of implementation of the tasks. Note that these interim and final reports are additional to any required in Section 4.2. of these Terms of Reference.

Each report shall consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, of the incidental expenditure and of the provision for expenditure verification.

7.2. Submission & approval of reports

Two hard copies and an electronic copy (as single Word file) of the progress reports referred to above must be submitted to the Project Manager identified in the contract. The progress reports must be written in English. The Project Manager is responsible for approving the progress reports

The Project Manager for this contract is:

Central Finance and Contracting Agency

Ms. Radojka Tomašević, Project Manager

Vukovarska 284, objekt C 10000 Zagreb

Email: radojka.tomasevic@safu.hr

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Contact details of other institutions to which two hard copies and an electronic copy of the reports should be provided are following:

Delegation of the European Union to the Republic of Croatia

Mr. Davor Percan, Task Manager
Trg žrtava fašizma 6, 10000 Zagreb
Email: Davor.Percan@ec.europa.eu

Central Office for Development Strategy and Coordination of EU Funds

Ms. Iva Frkić, Head of Department, Head of PIU
Radnička 80/V, 10000 Zagreb
Email: Iva.Frkic@strategija.hr

8. MONITORING AND EVALUATION

8.1. Definition of indicators

- 1 ex-ante evaluation report on NSRF
- 7 ex-ante evaluation reports on specific operational programmes, each report including (where relevant) an interim evaluation of the corresponding IPA Operational programme
- 1 report with assessment of evaluation capacity of relevant institutions
- Evaluation Strategy for Structural and Cohesion Funds reviewed
- Number of methodological tools for evaluation developed (roadmap, guidelines, recommendations)
- Number of workshops of Evaluation Working Group held
- Number of training events on evaluation held
- Number of participants in evaluation training

The Consultant is requested to propose in the Technical Proposal a revised set of objectively verifiable indicators (OVIs) for this particular contract, which will be used to measure performance of the project towards expected results. The OVIs should be proposed as part of the Logframe (Annex 1).

The OVIs will be agreed at the first PSC meeting and need to be regularly updated during the lifetime of the project.

8.2. Special requirements

Close cooperation is to be ensured with activities and outputs of projects which are likely to run in parallel to this project. They are:- IPA 2008 FPP RAC “*Assistance to Croatian Fisheries Administration in Development of Operational Programme and related Publicity Strategy*”, providing assistance in drafting of the EFF Operational programme and related Publicity strategy
- IPA 2008 Component I project, twinning contract “*Enhancement of capacity for effective management of EU Cohesion policy funds*”, assisting with the finalization of the Operational Programmes.