

FOOD AND/OR BASIC MATERIAL ASSISTANCE OPERATIONAL PROGRAMME

1. IDENTIFICATION

Member State	Croatia
CCI	2014HR05FMOP001
Title	Operational Programme for Food and Basic Material Assistance for the period 2014-2020
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First year	2014
Last year	2020
Eligible from	01-Dec-2013
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2. PROGRAMME FORMULATION

2.1 Situation

2.1.1 An identification and a justification of the material deprivation(s) to be addressed.

Croatia is determined as social state, responsible to ensure meeting of basic needs to all vulnerable groups. Main objective of social policy is to improve position of the most vulnerable groups, giving priority to poverty reduction by creating conditions for economic growth and development, active employment policy and human resources development. Global economic crisis significantly affected Croatia, leading to an increase of unemployment, decline of GDP, which unfavourably affected state economy. In 2013 unemployment rate in Croatia was 16.6%^[1] (long-term unemployed make 63.7% of all unemployed persons). Number of persons receiving social assistance also increased, in December 2013 amounted to 113.358 persons, out of which 52.132 (45.98%)^[2] were working-able. Also, number of persons working without salaries and low-income working families increased. Croatia has one of the highest rates of people at-risk-of-poverty among EU countries. At-risk-of poverty rate for EU 28 countries amounted to 16.7% (after social transfers). In Croatia, at-risk-of-poverty rate in 2013 amounted to 19.5%. Removal of social transfers from the income increases the percentage of people at risk of poverty to a rate of 29.7%^[3]. In 2013, the at-risk-of-poverty rate for the unemployed in Croatia amounted to 43.2%, for pensioners 18,4%, for employed persons 6.2%^[4], and for children and youth under 18 years old 29.3%,^[5] in 2012. Growing problem in Croatia has also become homelessness. Homeless persons have only recently been recognized as a special category in the Social Welfare Act (2011). In 2013, there were 12 shelters and safe houses for the homeless, with accommodation capacities for 400 homeless. Food deprivation has been identified as one of the largest problems. In 2012, 16.2% of the population could not afford a meal with meat, chicken, fish or equivalent vegetarian meal every second day. Out of 20% of preschool children living in poverty (more than 60.000), more than 40%^[6] does not have proper meal every second day. This problem has also been identified among school children. Material deprivation rate in Croatia in 2012 amounted to 35.3% (material deprivation rate shows the percentage of persons living in households that cannot afford, exclusively due to financial reasons, at least three out of nine defined items of material deprivation) 15,4 % persons in 2012, live in severe material deprivation and are not able to satisfy their basic needs. EC in Country Specific Recommendation (CSR) outlined a need to strengthen the effectiveness and transparency of the social protection system by further consolidating benefits, unifying eligibility criteria and improvement of the effectiveness and adequacy of social assistance benefits through their better targeting. Social system is going through essential strategic and structural administrative changes, such as the establishment of a one stop shop and the rationalisation of benefits. Those changes will be achieved through a series of reform measures included in the National Reform Programme 2014. As a response to CSR, EU 2020 Strategy, and growing problem of poverty, Croatia adopted Strategy for Combating Poverty and Social Exclusion 2014-2020, increasing poverty reduction target to 150.000 persons. Although existing national schemes are sustainable and continuous, resources are limited. The government spending on social protection was well below EU average (20.6% of GDP in Croatia, as compared with 29.1% in the EU in 2012), whereby the lower proportion belongs to social assistance and family benefits. FEAD will be an added value to existing national programmes, enabling wider number of persons receiving assistance, not only unemployed and social welfare beneficiaries, but also groups of persons which are not covered by existing schemes because of their income census. Croatia will distribute sports equipment for school-age children as part of their schooling due to specific needs of children.

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2.1.2 Indication of the type of material deprivation(s) retained for the OP.

ID	Type of material deprivation
MD1	Food deprivation
MD2	Basic material deprivation

2.2 Material deprivation addressed

Material deprivation type	MD1 - Food deprivation
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2.2.1 Description

One of material deprivations addressed by this OP refers to food deprivation. Funds will be allocated to the Intermediate Body - Ministry of Social Policy and Youth, which will conduct open calls for selection of partner organisations, inviting partner organisations to apply for the FEAD implementation (individually or jointly with other partner organisations).

Selected partner organisations will be responsible for food purchasing, according to national public procurement rules. They will also be responsible for the food storage, transport and distribution of food to end recipients. All these will be defined in contracts signed between the Intermediate Body and selected partner organisations.

Partner organisations will distribute food either as meals or as food packages:

- In premises of partner organisations; and/or
- In shelters for homeless people; and/or
- In schools for school children living in poverty; and/or
- In homes of persons/families living in poverty, such as: elderly, people with disabilities, persons living in remote areas and which are hard to reach.

In addition to food distribution, partner organisations, with the exception of schools, will also be responsible for providing accompanying measures funded through FEAD, such as:

- counselling on balanced nutrition,
- counselling on financial literacy,
- counselling on health care, personal hygiene and hygiene of premises,
- counselling on parenting, education and health care of children.

Accompanying measures will be provided to the end recipients in different forms, such as: counselling, workshops, leaflets, brochures, etc.

This list is only indicative and partner organisations will be free to suggest other suitable accompanying measures which meet the need of the most deprived. The content and organisation of accompanying measures will be approved by the Intermediate body. Partner organisations will offer the accompanying

measures either themselves or in cooperation with other organisations.

2.2.2 National schemes

The legal framework defining the national schemes concerning the poverty and material deprivation issues includes primarily the Social Welfare Act (SWA) (OG 157/13) and the Humanitarian Aid Act (HAA) (OG 128/10). Based on the SWA, large cities and cities which are the seats of counties are obliged, in accordance with their financial capabilities, to stimulate and ensure their citizens, among other forms of material assistance and support, nutrition in soup kitchens for persons receiving the guaranteed minimum benefit. If large cities and cities that are not able to secure the funds for nutrition in soup kitchens, regional self-government units will also participate in accordance with their financial capabilities.

In Croatia, according to HAA, humanitarian assistance is collection of material goods and financial support, psychosocial assistance and humanitarian activities for the protection and rescue of victims of natural disasters and victims of crises caused by human activity, but also collection of material goods and financial support provided to vulnerable groups in purpose of meeting the basic needs.[1] Accordingly, humanitarian assistance in Croatia is provided continuously to vulnerable groups.

Based on the HAA, the MSPY is collecting data on humanitarian organisations. On 2 June 2014, the records showed that 290 non profit legal persons on the territory of Croatia have so far been issued a decision permitting them to collect and provide humanitarian aid. Along with the assistance on national level, assistance in food distribution (e.g. food packages) is also provided by local and regional self-government units.

FEAD will represent an added value by increasing scope of assistance and to provide assistance to the larger number of the most deprived in addition to those from the existing national schemes, respecting principles of decent treatment, anti-discrimination, gender equality and equal opportunities, especially for children.

Material deprivation type	MD2 - Basic material deprivation
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2.2.1 Description

Material deprivations addressed by this OP refers also to basic material deprivation.

Funds will be allocated to Intermediate Body - Ministry of Social Policy and Youth, which will conduct open calls for selection of partner organisations, inviting partner organisations to apply for FEAD implementation (individually or jointly with other partner organisations).

Selected partner organisations will be responsible for basic material assistance purchasing, according to national public procurement rules. They will also be responsible for basic material assistance storage,

transport and distribution of basic material assistance to end recipients. All these will be defined in contracts signed between the Intermediate Body and selected partner organisations.

The goods distributed will be in line with Article 2(1) of the Regulation. Indicatively, they will consist in:

school material and equipment for school (including sport equipment as part of their schooling) for children living in poverty in compulsory education

hygiene goods and other basic necessities (e.g. linen, towels, blankets) for persons/families living in poverty, homeless people

Distribution according to the types of basic material assistance:

- school material and equipment: in the premises of the partner organisations via parents, , in homes of children living in poverty by partner organisations – e.g. for children who live in remote areas and are hard to reach)

- hygiene goods and other basic necessities: in the premises of the partner organisations, in shelters, in homes of persons/families living in poverty by partner organizations (e.g. children who live in remote areas and are hard to reach)

Along with basic material necessities distribution, partner organisations will also implement accompanying measures funded through FEAD, such as:

- counselling on the subjects of health care, personal hygiene and home hygiene,

- counselling related to the upbringing, education and health care of children,

- financial literacy.

Accompanying measures will be provided to end recipients through counselling, workshops, leaflets, brochures.

This list is only indicative and partner organisations may also suggest other accompanying measures relevant to the needs of the most deprived and forms of providing them. The content and organisation of the accompanying measures will be approved by the Intermediate Body.. Partner organisations will offer the accompanying measures either themselves or in cooperation with other organisations.

2.2.2 National schemes

The existing methods of addressing this type of material deprivation in Croatia have also been prescribed by the already mentioned HAA and SWA.

In Croatia, such assistance is provided through one-off assistance for persons/families that do not have sufficient funds to satisfy their basic living needs. Those persons are registered at the Social Welfare Centres (SWC) as social welfare beneficiaries. One-off assistance is a special form of cash or material support granted to single persons or families who are in a position of current material difficulty due to reasons they could not, or cannot affect, and as a result are unable to cover certain basic living needs such as a birth or education of a child, illness or death of a family member, natural disaster, procurement of basic household items, necessary clothes or shoes, etc.

Table 1 in the supporting document shows the number of paid one-off assistances by county from the 2012 annual report of the MSPY.

Croatia decided not to separate types of material deprivation, according to the existing national schemes and will chose partner organisations that will ensure outreach for the most deprived.

Furthermore, besides social welfare beneficiaries, people in need turn to humanitarian organizations, especially those who are hard to reach, who gain support for all those forms of material deprivation through humanitarian actions and regular collecting and providing humanitarian aid in relation to basic material necessities according to Art.2 of HAA.

Along with the national assistance schemes, assistance is also provided by local and regional self-government units for different purposes to disadvantaged groups. CSO's as providers of social services represent a great help and value in the social welfare field and contribute to the social inclusion and community cohesion.

2.3 Other

In addition to national schemes support is provided through:

Scheme "school fruit" within pupils from elementary school at least once a week receive fruit snack. This school year include 330,889 students from 884 Croatian elementary school.

Amount is approximately 1,9 ME mostly (90%) financed from EAGF (European Agricultural Guarantee Fund) and Croatian participation is 10 %.

Social supermarkets throughout Republic of Croatia share hygiene and household goods, which are collected in shopping malls according to the agreement there are placed the baskets in which their customers can leave some product, or citizens could bring their donations in the food personally to the Social supermarket.

3. IMPLEMENTATION

3.1 Identification of most deprived persons

The criteria for identification of the most deprived persons, within the relevant target groups, will be defined by partner organisations.

Before applying those criteria to the actual distribution of assistance, those criteria must be approved by the intermediate body.

3.2 Selection of operations

Intermediate Body - Ministry of Social Policy and Youth will conduct open calls for proposal for purchasing and distribution of food and/or basic material assistance.

Partner organisations will be responsible for purchasing, storage, transport and distribution of food and/or basic material assistance to end recipients. Responsibilities will be defined in contracts between the Intermediate Body and selected partner organisations.

Following operations are envisaged:

- Type of operation 1: purchasing, transport, storage and distribution of food and/or basic material assistance
- Type of operation 2: technical assistance

All operations will fulfill the requirements of Articles 5(11), 5 (12), 5(13), 5(14), 22., 23. 26. And 32 (3) of Regulation

Specific criteria for type 1 operations:

- The operation is proposed by an eligible partner organisation, or by an eligible partnership;
- Geographical coverage;
- Adequacy of the implementation arrangements to the activities to be implemented;
- Adequacy and proportionality of the proposed budget in relation to the number and type of targetted end recipients and their needs.

Specific criteria for type 2 operations:

- The operation contributes an efficient implementation of the operational programme, with a view to reducing administrative burden of the beneficiaries where relevant.

3.3 Selection of partner organisations

A organisation may submit a proposal alone or in partnership with other organisations. In this case, a lead organisation, which will be in charge of all food and/or basic material assistance purchases, must be identified and submit the proposal on behalf of the partnership.

The criteria for the selection of the partner organisation for the implementation are the following:

- The partner organisation is a public body or a non-profit organisation
- The partner organisation holds a Decision for the collection and provision of humanitarian aid (in accordance with Art.5 of the HAA), and has fulfilled its obligations under this Decision;
- The activities of the partner organisation is aimed at vulnerable groups;
- The partner organisation has experience in implementing activities of food and/or basic material assistance delivery, appropriate to the activities to be implemented;
- The partner organisation has developed organisational and operational capacities for the delivery of food and/or basic material assistance, individually or as a partnership and implementation of accompanying measures independently or in cooperation with other partner organization;
- The lead partner organisation has developed capacities for the implementation of public procurement in accordance with valid regulations of Croatia or provides a clear action plan for the ensurance of such capacities, in the context of the procurement of food

In the case of distribution of food in schools:

- The partner organisation must be a public school;
- The location of the school, in relation to the development index;
- The percentage of children living in poverty enrolled in compulsory education in the school.

3.4 Complementarity with ESF

Croatia promotes social cohesion via the use of FEAD, contributes to the mitigation of the consequences of social exclusion and poverty, all in conformity with the goals of the Europe 2020 Strategy. Also, the goal of the ESF is to reduce the difference in the living standard and prosperity in EU member states and their regions, and thus to promote economic and social cohesion, also in conformity with the Europe 2020 Strategy.

Assistance that will be provided via FEAD is complementary with activities financed from the ESF, that is they will be complemented by the activities financed from the ESF in such a way that the instruments of FEAD will be intended for persons who live in extreme poverty, persons who are often too far from the labour market, but also those at risk of poverty who are not covered by social assistance because of the income census, to have direct benefits from activities of social inclusion financed from the ESF. The focus of ESF OP "Efficient human resources 2014 - 2020" is on combating poverty and social exclusion through development of non-institutional forms of care in a community for vulnerable groups, to prevent institutionalisation and to support process of deinstitutionalisation, as well as of promotion of labour market and social integration of vulnerable groups. Instruments from FEAD, therefore, will be used for ensuring food and basic life necessities, because the satisfaction of basic life necessities is often a precondition for the inclusion in all other activities such as training, counselling, job-seeking, etc. Accompanying measures will be closely associated with adequate fulfilment of basic needs while activities from ESF are continuation for better social inclusion.

Furthermore, authorities that comprise the management and control system for the use of instruments from FEAD are also the authorities that form the management and control system for the use of funds from ESF-OP "Efficient human resources". In accordance with the above, all authorities involved in the system, primarily the Managing Authority, will undertake measures that are important for the ensurance of complementary with the ESF and the prevention of overlapping and double financing of operations. One of the most significant measures for this purpose is the monitoring system for the purposes of the OP implementation within the framework of the ESF, which among other things will enable the implementation of the monitoring and the regular reporting on the progress on a quarterly and annual level. An important role of monitoring will also be played by the Monitoring Committee for the ESF for the period 2014-2020, and when the implementation of FEAD begins, reports will be submitted on the implementation of the measures financed through the OP for food and basic material assistance for the period 2014-2020 in order to monitor added value of FEAD.

The operations planned via FEAD should contribute to the reduction of poverty and social exclusion, by targeting the detected types of material deprivation (food deprivation, basic material deprivation such as and the most deprived beneficiaries.

When approving the content of the accompanying measures, the intermediate Body will check that there is no overlapping with activities co-financed by the ESF, allowing to avoid double-financing.

3.5 Institutional set-up

The Managing Authority: Ministry of Labour and the Pension System, Directorate for Coordination of Programmes and Projects of the European Union in the Field of Labour and Social Security: Sector for Programming, Monitoring and Evaluation of Programmes and Projects of the European Union; Service for Monitoring and Evaluation;

The Certifying and Payment Authority: Ministry of Finance; National Fund;

The Intermediate Body: Ministry of Social Policy and Youth, Directorate for social policy, strategy and youth, Service for European Union funds;

The Audit Authority: Agency for the Audit of European Union Programmes Implementation Systems (ARPA);

The payments from the Commission will be done to the Ministry of Finance, National Fund.

3.6 Monitoring and evaluation

Monitoring

The Managing Authority is responsible for the efficient and effective coordination and implementation of FEAD, the management of the OP and the monitoring and evaluation.

Regarding the MA's responsibility for the monitoring of the OP implementation progress, annual and final implementation reports will be prepared in accordance with the respective Delegated Acts.

Annual and final reports will contain data collected based on the progress reports provided from partner organisations. Partner organisations will provide all relevant data according to their contractual obligations.

Partner organisations will submit progress reports electronically via management information system at least once a year. For the purpose of collection data, Managing Authority will ensure the establishment of the managing information system to record and store the data on each operation in computerised form. System will be established in accordance with the Implementing Act adopted by the Commission, pursuant to Article 32(8). The system ensures that all data necessary for the financial management, monitoring, control, audits and the evaluation are collected and stored safely.

In a way to ensure the availability of the required and updated information on the OP progress, the content of the reports will be consulted with relevant stakeholders prior to its submission to the Commission.

Additionally, for the purpose of an efficient monitoring system, the Managing Authority will organise meetings with partner organisations as well as relevant stakeholders at least twice a year, while the Review meetings with the Commission will take place annually, enabling thus the arena to review the progress made in implementing the OP, taking into account of the annual implementation report and the Commission's observations.

Evaluation

The evaluation of the OP as an important instrument for the comprehensive management of the OP, will be used to estimate the suitability, efficiency and effectiveness of the financial assistance, as well as the impact and sustainability of the achieved results. The evaluations of the OP will be financed from the Technical Assistance. The Managing Authority carried out ex-ante evaluation of the 1st OP draft submitted. The relevant recommendations were incorporated within the OP text to ensure its coherency towards reaching its strategic goal. One additional thematic evaluations is foreseen to be carried out during the implementation period.

3.7 Technical assistance

1. The functioning and strengthening of the administrative capacity of the various authorities to implement the operational program:

- Cover the costs of personnel in order to ensure the adequate implementation of the programme;
- Improve qualifications of the personnel involved in implementation of OP;
- Cost of travel and accommodation for personnel involved in implementation of OP;
- Indirect costs.

2. Support the management and implementation of the OP:

- The purchase of ICT equipment and biotics, consumable materials and accessories;
- Cover the costs of operating the equipment and purchase of necessary licenses and software, as well as the purchase of ICT services for the effective implementation of the programme;
- Develop and maintain IT systems designed to support the OP FEAD;
- Achieving working procedures for program implementation.

3. Visibility, information and communication activities:

- Information campaigns;
- Organize meetings, conferences, events and study visits;
- Implementing information activities and promotion.

4. Control:

- Supporting the activities of internal control;
- On the spot;
- Quality verification of the offered products.

5. Evaluation:

- Prepare analyses, assessments, reports, evaluation studies;
- Financial costs to the evaluation process.

Actions will also focus on supporting and strengthening capacities of partner organisations through support in developing and implementing manual of procedures addressing all aspects of implementation. Furthermore, continuous education activities will especially focus on capacity building in the field of sound financial management, reporting, public procurement and national rules related to collection and distribution of humanitarian aid. [Particular attention will be given to providing guidance and support the partner organisation in charge of purchases of food and/or basic material assistance, notably in relation to public procurement] Support related to IT equipment of partner organisations is also envisaged.

In addition, actions will include visibility measures (development of OP visual design, webpage, informative brochures, public campaigns and other measures) contributing to reaching as wide as possible

target population.

4. INVOLVEMENT OF STAKEHOLDERS

In order to ensure an efficient and effective implementation of FEAD, Croatia promote a cooperation between national bodies, bodies of local and regional self-government units, the civil society, as well as the participation of all stakeholders (Annex 1) involved in defining and implementing the activities financed from FEAD.

When preparing the OP, the process of public partner consultations was carried out. The supporting document contains a list of participants from narrower consultations held to discuss the target groups, mechanisms of determining the criteria for the selection of the most deprived, the types of material assistance, and the role of partner organisations in the implementation of FEAD.

Additionally, wider public partner consultations were carried out via the web page of the MSPY, where all interested stakeholders had the chance to submit their proposals regarding the use of FEAD, that is the proposals of target groups, the types of assistance, the mechanisms of selecting target groups and how to reach these. Data on administrative capacity of potential partner organisations were also collected, with regard to the possibility of implementing FEAD and experience related to public procurement.

Key messages were recognized: related to increasing “urban poverty” it is not possible to exclude the distribution of aid in the big cities; importance of networking and coordination of humanitarian organizations in distributing aid, also in the most remote areas in Croatia; due to identified problem of “hungry children in schools”, it was decided to enable providing assistance through FEAD.

First draft of officialy submitted OP was approved by stakeholders without additional comments on the text.

5. FINANCIAL PLAN

5.1 Financing plan of the operational programme giving the annual commitment of the Fund and corresponding national co-financing in the operational programme (in €).

Year	Fund (a)	National co-financing (b)	Public expenditure (c)=(a)+(b)	Co-financing rate (d)=(a)/(c)	100% Co-financing rate for accounting year 2020-2021*
2014	4,927,037.00	869,477.00	5,796,514.00		
2015	5,025,578.00	886,867.00	5,912,445.00		
2016	5,126,089.00	904,604.00	6,030,693.00		
2017	5,228,611.00	922,696.00	6,151,307.00		
2018	5,333,183.00	941,150.00	6,274,333.00		
2019	5,439,847.00	959,973.00	6,399,820.00		
2020	5,548,645.00	979,173.00	6,527,818.00		
Total	36,628,990.00	6,463,940.00	43,092,930.00	85.00	

*By ticking the box the Member State expresses its wish to use the derogation provided by Article 20(1a) and requests a co-financing rate of 100% to be applied to expenditure declared in payment applications during the accounting year 1 July 2020 - 30 June 2021.

5.2 Financing plan giving the amount of the total financial appropriations of the support from the operational programme for each type of material deprivation addressed as well as the corresponding accompanying measures (in €).

Type of material assistance	Public expenditure
Technical assistance	2,154,646.00
MD1 - Food deprivation	24,562,970.00
of which, accompanying measures	1,116,498.00
MD2 - Basic material deprivation	16,375,314.00
of which, accompanying measures	744,332.00
Total	43,092,930.00

DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Table 1	Supplementary information	03-Dec-2014		Ares(2014)4063895	Table 1	04-Dec-2014	nivakata
Annex 1	Supplementary information	03-Dec-2014		Ares(2014)4063895	Annex 1	04-Dec-2014	nivakata
Annex 2	Supplementary information	03-Dec-2014		Ares(2014)4063895	Annex 2	04-Dec-2014	nivakata
Ex-ante evaluation Report	Report of the ex-ante evaluation	03-Dec-2014		Ares(2014)4063895	Ex-ante evaluation Report	04-Dec-2014	nivakata

LATEST VALIDATION RESULTS

Severity	Code	Message
Info		Programme version has been validated.