

4 Regional Development Planning Instruments and Practices

This chapter examines how Croatia's mechanisms and processes for regional development planning, implementation, monitoring and evaluation work in practice, and assesses their effectiveness. First, it conducts an in-depth exploration of the key national-level planning documents guiding regional development in Croatia. It assesses the extent to which those documents embed balanced territorial development as a cross-cutting government priority. Second, the chapter explores recent advances and challenges related to the design and implementation of county- and local-level planning documents, while also considering the various incentives that could support implementation. Finally, the chapter assesses the monitoring and evaluation mechanisms supporting regional development, including how results from such processes are used to improve policy implementation.

Introduction

Since the adoption of the 2017 Law on the System of Strategic Planning and Development Management, all county governments in Croatia have designed new county-level development plans. These planning documents are aligned with the National Development Strategy 2030 (NDS), which identifies balanced regional development as a key priority. In addition, county, city and municipal governments have enacted implementation programmes for their development plans. The design of mid- and short-term planning documents at various subnational levels could support the coherent, place-based implementation of specific territorial development initiatives that meet local needs and capacities, while contributing to national priorities.

This chapter looks at how the strategic planning process for regional development works in practice and assesses its effectiveness. In doing so, it considers the different stages of the strategic planning cycle—from design and implementation to monitoring and evaluation. It is important to note, however, that most of the relevant planning documents supporting regional development were only recently adopted (i.e. in 2021 or 2022). Consequently, limited evidence is available regarding the quality of their implementation.

The chapter's analysis identifies several important strengths in Croatia's strategic planning system for regional development. Notably, there is a clear hierarchy between national-, county- and local-level plans, with regional development agencies (RDAs) playing a key role in ensuring that subnational plans are compliant with the NDS. Moreover, since 2018, the Ministry of Regional Development and EU Funds (MRDEUF) has developed comprehensive guidelines, regulations and instruction manuals related to the design of strategic planning documents, and their monitoring and evaluation. These documents provide a strong basis for guiding regional development policy making. In addition, strategic planning documents at all levels of government are developed through extensive consultation with different governmental and non-governmental stakeholders. Consequently, the planning documents reflect stakeholder needs and priorities. Furthermore, monitoring and evaluation has been embedded in the strategic planning processes at all levels of government, and clear processes for upward reporting on the implementation of county- and local-level development plans have been established.

To ensure the development plans and projects in Croatia are effectively implemented, however, there are five challenges that will need to be overcome. First, Croatia lacks a national-level regional development strategy that provides details on the country's specific regional development objectives and suggested lines of actions for addressing territorial disparities. Second, with the implementation of the county development plans being dependent on the collective efforts of a wide range of public and non-governmental actors, there is a risk that they will not be fully implemented. Third, at the local level, municipal fragmentation hampers local capacity to carry out strategic planning tasks. Fourth, a lack of local-level data and limited awareness of existing data among subnational actors constrains their ability to develop diagnostics of territorial development challenges and opportunities. It also constrains the ability of subnational policy makers to monitor county and local development plans. Fifth and finally, a lack of multi-level performance review mechanisms has reduced monitoring to a primarily procedural requirement, rather than a substantive exercise that can help to improve the implementation of subnational development plans.

This chapter begins by exploring the key national-level planning documents guiding regional development in Croatia. In particular, it assesses their design process and the extent to which they embed balanced territorial development as a cross-cutting government priority. Subsequently, the chapter explores issues related to the design of county-level planning documents, while also considering different incentives that could support implementation. Further to this, the chapter considers challenges related to the design and implementation of local-level planning documents and the need to enhance local strategic planning capacities. Finally, the chapter assesses the monitoring and evaluation mechanisms supporting regional development. In particular, it looks at how monitoring and evaluation activities have been institutionalised among levels of government, as well as the quality of monitoring and evaluation processes. Lastly, it evaluates the way in which results from such processes are used, for example to improve policy implementation.

Box 4.1. Recommendations to further strengthen the effectiveness of Croatia's regional development policy

To ensure progress towards Croatia's long-term strategic objective of balanced regional development, the country is advised to:

- Update the NDS, ensuring that balanced regional development is integrated as a cross-cutting priority. This could involve modifying strategic objectives and including indicators to track progress towards territorial development objectives.
- Ensure that a territorial perspective is incorporated into other high-level strategic documents, such as sectoral and multi-sectoral plans. This may require updating the guidelines for the development of such plans.

To clarify Croatia's regional development policy and help subnational policy makers design development plans that better align to national priorities, Croatia is advised to:

- Design a national strategy for regional development, as required by law and identified in the NDS. Building on the previous national regional development strategy, the new version should:
 - Clearly outline the specific contributions that relevant actors are expected to make towards the achievement of priority actions.
 - Devise a comprehensive performance measurement framework, including a range of output, outcome and impact indicators to track implementation progress.

In order to strengthen the design and implementation of county development plans, Croatia is advised to:

- Require that the draft development plans include an implementation feasibility assessment that provides information on: i) the actors involved in implementation, ii) the nature of their contribution to implementation; and iii) the mechanisms through which these actors can be engaged during implementation.

In order to improve the design and implementation of local development plans, Croatia is advised to:

- Produce and disseminate practical information on how existing inter-municipal co-operation incentives can support local strategic planning. For instance:
 - The MRDEUF could disseminate information on how the few local development agencies that were created by more than one local government have supported collective strategic planning.
- Introduce additional incentives for small cities and municipalities to develop joint local development plans in order to better address shared development challenges, for example by:
 - Making the design of a joint local development plan a precondition to receiving funding through one or more of the country's regional development grants.
- Strengthen the strategic planning skills and expertise of local civil servants, by:
 - Designing and delivering a local government capacity building plan, with tailored training activities for cities and municipalities.
 - Developing a practical guide or manual to help local governments as they design and implement their local development plan and/or implementation programme.

In order to strengthen the institutional framework for monitoring and evaluating regional development policy, Croatia is advised to:

- Develop a single set of non-binding methodological guidelines for evaluating the implementation of county and local development plans, which recaps the various legislative provisions in simple, action-oriented language.
- Adjust timelines for reporting on the implementation of county development plans, requiring county departments, city and municipal governments to share data with RDAs at an earlier stage than is currently the case, in order to improve reporting quality.

In order to improve the quality of regional development monitoring and evaluation, Croatia is advised to:

- Increase the availability of timely, local data on topics such as investment, economic development and innovation, by:
 - Ensuring that subnational governments and RDAs are systematically consulted by the Croatian Bureau of Statistics to identify local data needs and measures to address them.
- Invest in increased awareness by subnational governments, including RDAs, of existing local-level datasets, including by:
 - Encouraging the Croatian Bureau of Statistics to publish a newsletter that provides periodic updates on relevant data for county, city and municipal governments.
 - Organising periodic meetings run by the Croatian Bureau of Statistics, in order to apprise subnational governments of existing datasets.
- Update the Library of Indicators, in close collaboration with RDAs and the Croatian Bureau of Statistics, to ensure that for all indicators data are available to support monitoring and evaluation.

In order to improve the impact of regional development monitoring and evaluation, Croatia is advised to:

- Set up performance dialogue mechanisms within subnational governments to ensure monitoring results are systematically discussed by decision makers (e.g. the prefect or mayor) and staff supporting strategic planning, to facilitate policy learning.
- Ensure that evaluation reports include an executive summary, drafted in easy-to-understand language, to make evaluation findings more accessible for relevant stakeholders.
- Create an interactive online portal where relevant information on regional development, including monitoring and evaluation reports, can be published in an accessible format.

Croatia's national-level strategic planning guidelines and documents

Over the past decade, Croatia has made important strides towards consolidating its system of cross-government strategic planning. The 2017 Law on the System of Strategic Planning and Development Management has provided extensive guidance to policy makers at the national and subnational levels of government on the process of developing strategic plans, as well as their prescribed structure (Box 4.2). There are, however, a number of challenges that stem from the current national-level strategic planning documents as they relate to regional development. In particular, while the NDS successfully presented balanced regional development as a core long-term strategic priority, it is not fully integrated into the different pillars of strategy. This risks regional development being considered more a sectoral priority than a cross-sectoral one that is embedded across government. This could lead to regional development objectives not being considered in the strategic planning documents and policies of line ministries, which may limit the overall impact of the NDS. The government currently also lacks a national-level regional development strategy which, if supported by a strong evidence base, would enable it to articulate a more detailed vision for balanced territorial development.

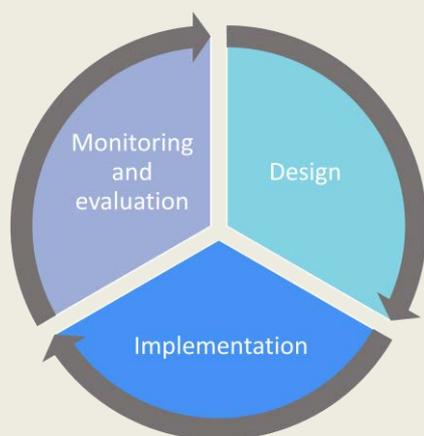
Box 4.2. Guidelines for the development of Croatia's main planning documents

In line with the 2017 Law on the System of Strategic Planning and Development Management, the MRDEUF prepared regulations on and instructions for the development of the planning documents. These include:

- **National planning documents**, such as the NDS, sectoral and multi-sectoral strategies, national plans, the Government Programme and their implementation programmes; and
- **County and local planning documents**, such as county and local development plans, and their implementation programmes.

The MRDEUF developed a regulation outlining the elements that must be included when developing strategic planning documents (e.g. vision statement, analysis of development challenges and opportunities, objectives, performance measurement framework, financial costs). It also developed detailed instructions for government bodies regarding how the planning documents should be prepared (e.g. how to manage a stakeholder consultation process, how to design objectives and performance indicators). Finally, the Ministry developed a rulebook that prescribes the deadlines and procedures for monitoring and reporting on all national- and subnational-level plans. Together, these elements provide a strong basis for guiding national and subnational-level policy makers through the various stages of the strategic planning cycle (Figure 4.1).

Figure 4.1. Strategic planning cycle



Source: Author's elaboration, based on (Official Gazette of Croatia No 151/2022, 2017^[1]; Official Gazette of Croatia No 27/2023, 2023^[2]; Official Gazette of Croatia No. 44/2023, 2023^[3]; MRDEUF, 2021^[4]).

The National Development Strategy 2030 guides Croatia's regional development policy

The NDS is the key planning instrument of Croatia's regional development policy framework. It was adopted in 2021, in order to articulate a high-level, long-term vision for Croatia's economic development. One of its strengths is the fact that it was designed based on extensive consultation with regional and local stakeholders. For example, a steering group, chaired by the Prime Minister and with representatives from line ministries, parliament, the Croatian County Association, the Croatian Association of Cities and the Croatian Union of Municipalities, was established to guide the NDS's design (Official Gazette of Croatia

No 13/2021, 2021^[5]). By inviting such a wide range of actors, the government ensured that regional and local needs were taken into consideration at every stage of the strategy design process.

Furthermore, consultation with different stakeholders was pursued through a multi-level working group on territorial development, in which representatives from county, city and municipal governments, RDAs and other regional and local stakeholders all participated. The government also organised different development fora in order to identify urgent challenges, opportunities and help to define a long-term vision for territorial development. These were chaired by county prefects, with the participation of RDAs and other county-level representatives.

Non-governmental stakeholder participation was promoted through different actions, including the dissemination of an online survey. In addition, participatory workshops on the future of Croatia's development were organised in seven of the 21 counties. The workshops, in which representatives from academia, civil society and the private sector participated, were organised in consultation with RDAs (Official Gazette of Croatia No 13/2021, 2021^[5]).

Balanced regional development is not fully integrated as a cross-cutting priority in the NDS

One challenge with the NDS relates to its structure. For the MRDEUF, the development of the NDS was regarded as an important opportunity to raise the visibility regarding Croatia's regional development objectives across and among levels of government (MRDEUF, 2024^[6]). At the same time, however, despite establishing balanced regional development as a long-term priority, it makes few links between regional development and other strategic objectives (e.g. sustainable economy and society; and strengthening crisis resilience). Consequently, there is a risk that regional development will be seen as a sectoral priority, rather than an overarching one that should be considered in the design and implementation of policies in fields such as economic development, digitalisation and the green transition.

Of the 13 strategic objectives outlined in the NDS, six strategic objectives do not mention regional development at all, while a further five make only cursory references to possible regional development-related measures. The remaining two strategic objectives have a clear focus on regional development: i) Supporting the development of assisted areas¹ and areas with developmental specificities; and ii) Strengthening regional competitiveness. Progress towards each of these objectives is measured through a single indicator: levels of regional GDP per capita, in the case of the former, and regional competitiveness index values, in the case of the latter (Official Gazette of Croatia No 13/2021, 2021^[5]).

Both indicators—regional GDP per capita and regional competitiveness index scores—are, however, insufficient to track performance towards their corresponding objectives, and would need to be complemented by additional economic, environmental and/or social indicators. For instance, regional GDP per capita, which measures the value-added created through the production of goods and services in a territory over a set period, is unable to track progress towards the creation of more sustainable islands and cities.

As a consequence of not having embedded balanced regional development as a cross-cutting issue within the NDS, other public bodies (e.g. those responsible for education, economic development, housing, transport) may not feel compelled to support the MRDEUF's territorial priorities. In a future iteration of the NDS, the government should ensure that all relevant national-level objectives adopt a territorial lens, which can inform the activities of relevant public bodies. It can also contribute to a sense of shared responsibility with respect to supporting balanced regional development. Croatia could also use the forthcoming mid-term review of the NDS to further integrate balanced regional development as a cross-cutting priority.

The need for a new national-level regional development strategy in Croatia

To support the government's articulation of territorial priorities and address NDS-related challenges the government could consider adopting a national-level regional development strategy, like the one it had

between 2017 and 2020. According to the Law on Regional Development, it is a legal requirement for the MRDEUF to develop a regional development strategy, which should determine territorial goals and priorities, as well as means of achieving them (Official Gazette of Croatia No 147 et al., 2018^[7]). However, no such document currently exists.

A national-level regional development strategy would provide an opportunity for the government to articulate its vision, strategic objectives and priorities for balanced territorial development in greater detail, all of which could be supported by a robust, evidence-based diagnostic. The greater detail enclosed in a regional development strategy could thereby serve as a bridge between the NDS—which some RDAs reported as being too high-level—and other, national and subnational planning documents, including sectoral and multi-sectoral plans and county development plans (OECD, 2023^[8]).

Croatia's Regional Development Strategy 2017-2020 provides a starting point for designing a new national-level regional development strategy

The Regional Development Strategy for the period 2017-2020, developed and implemented during the previous parliament, could provide a starting point for a new strategy (Box 4.3). Although the Strategy covered a period of only three years, and even though the government's regional development priorities—as set out in the NDS—have shifted since then, there is a measure of continuity between the two documents. For instance, both strategies place a strong emphasis on strengthening regional competitiveness and supporting sustainable territorial development.

Box 4.3. Croatia's Regional Development Strategy 2017-20

The Regional Development Strategy of the Republic of Croatia 2017-20 was developed by the MRDEUF. It included three strategic objectives for balanced territorial development, each of which were supported by a series of priority actions:

1. **Increase quality of life by encouraging sustainable territorial development.** Priority lines of action to achieve this objective included enhancing quality of life of citizens through education and cultural development, improving regional and local infrastructure (e.g. for education and healthcare), and providing targeted support to areas with unique development needs (e.g. islands and 'assisted areas').
2. **Increase competitiveness of regional economies and employment.** Priority lines of action to achieve this objective included creating a supportive business environment, increasing regional attractiveness through regional branding, providing tailored support to entrepreneurs, and ensuring labour supply meets labour demand.
3. **Systematic management of regional development.** Priority lines of action to achieve this objective included improving strategic planning capacities at all levels of government, improving policy co-ordination across sectors and strengthening financial and administrative skills in subnational governments.

Source: Author's elaboration, based on (MRDEUF, 2017^[9]).

The Strategy provided a wide-ranging background analysis of territorial challenges and opportunities in Croatia, which was supported by quantitative and qualitative data. It also set out a clear strategic framework for regional development, comprised of strategic objectives, operational objectives and lists of measures for policy action (MRDEUF, 2017^[9]).

However, there were also a number of drawbacks to the Strategy's design, which would need to be addressed in a revised national-level regional development strategy. First, while the Strategy's diagnostic

identified a range of functional territories (e.g. hilly and mountainous areas, islands) that should receive government support, it did not include a comprehensive list of the development challenges or comparative strengths of these territories. Developing this would enable the MRDEUF to articulate strategic and operational objectives that are more closely aligned with functional area needs.

Second, with regard to implementation and accountability, the strategy did not outline the specific contributions that governmental or non-governmental actors should make to support its implementation, financing, monitoring and evaluation (MRDEUF, 2017^[9]). Ensuring clarity in the assignment of responsibilities is critical in order to limit duplication, overlap and co-ordination challenges during the strategic planning cycle (OECD, 2018^[10]). For instance, to ensure more effective implementation, a new regional development strategy should include information regarding the specific contributions that relevant actors are expected to make towards the achievement of each priority action.

Third, performance measurement could be further improved. Given the wide range of measures proposed to support operational and strategic objectives, performance indicators need to capture their impact more holistically. For instance, many of the monitoring indicators listed are output indicators that assess whether or not a policy or process is being implemented, rather than whether it has been effective in delivering meaningful change (MRDEUF, 2017^[9]). Ideally, output indicators should be coupled with outcome indicators, which demonstrate the real-world changes that policies or processes have delivered, and impact indicators, which illustrate the effects that they will have on society or economy in general.

Fourth, a future national-level regional development strategy should be supported by consistent monitoring and evaluation activities. Despite a requirement for the monitoring of regional development policy to take place annually, no reports or evaluation reports connected to the Regional Development Strategy appear to have been produced between 2017 and 2020. A more systematic submission of annual or multi-annual public reports is needed in order to improve transparency and accountability around the implementation of regional development policy.

Policy makers should also ensure that other high-level planning documents include a territorial perspective

In addition to a regional development strategy, the government should look to ensure that a territorial perspective is incorporated into other high-level strategic documents, such as sectoral and multi-sectoral plans. This is particularly important given the cross-sectoral nature of regional development policy. The government's decision to define balanced regional development as one of its four cross-cutting strategic dimensions demonstrates that it recognises the importance of territorial development as a transversal issue. In this regard, through their regular co-ordination with the MRDEUF, the strategic co-ordinators located within line ministries (see chapter 2) should play a key role in ensuring that regional development appears as a cross-cutting priority in policy design and is implemented across the entire government.

The guidelines for developing sectoral and multi-sectoral plans could be modified in order to ensure that a territorial lens is applied by line ministries. For instance, the government could explore the approach used by the Government of Mexico to ensure that the different six-year programmes with national-level public institutions for the period 2018-24 embraced various cross-cutting priorities (Box 4.4).

Box 4.4. Mexico's approach to integrating cross-cutting priorities into national-level planning documents

Mexico's federal planning law mandates the formulation of development programmes at various government levels, all of which must align with the overarching National Development Plan, which spans a six-year term, coinciding with the presidential administration. This plan sets the country's long-term objectives, strategies, and priorities across economic, social, cultural, and environmental spheres. Specifically, it requires the development of various programmes:

- **Institutional programmes** are developed by each of the national-level public bodies. They highlight organisational improvements, and specific actions each public body will undertake to contribute to national objectives.
- **Sectoral programmes** are developed by various sectors of the public administration (e.g. health, education, energy) and outline the objectives, strategies and actions to be undertaken within these specific sectors.
- **Special programmes** focus on specific thematic areas or target particular social, economic, or environmental issues that cannot be addressed by individual public bodies, and instead require cross-sectoral collaboration.
- **Regional programmes** address the development needs and priorities of specific geographic areas (that go beyond the administrative boundaries of federal states) within the country.

In 2019, the Ministry of Finance and Public Funds organised a series of meetings for the planning staff of Mexico's national-level public bodies to guide them through the programme design process. The meetings included workshops on how to integrate various cross-cutting priorities (e.g. sustainable development, equality and non-discrimination, territorial development, interculturality, gender, the natural environment) in all institutional, sectoral, special and regional programmes.

With the support of different national government bodies and international organisations, the Ministry of Finance and Public Funds also created a website that enabled policy makers to access supporting material on the different cross-cutting issues and how to integrate them in the different national-planning instruments. This material included factsheets on a series of key economic, social, environmental and governance indicators (e.g. education, healthcare, trust, insecurity) that reveal relevant development gaps across population groups and regions. They were to be used to help design the diagnostic for each programme.

Source: Author's elaboration, based on (Government of Mexico, 2023^[11]; Ministry of Finance and Public Credit of Mexico, 2018^[12]).

Croatia's subnational-level strategic planning guidelines and documents

Croatia's reforms to its strategic planning system have supported greater multi-level policy coherence, and ensured that county and local development plans align with higher-level planning documents. The government has also taken important steps to strengthen the capacity of subnational governments to develop plans and programmes. For example, it has disseminated regulations and guidelines on the design of development plans (e.g. who needs to be consulted) and their content (Box 4.2) (MRDEUF, n.d.^[13]).

An OECD comparative analysis of several county development plans and implementation programmes suggests that this government guidance has helped strengthen county-level strategic planning processes. In particular, county-level plans are typically characterised by: i) an extensive, evidence-based diagnostic on territorial challenges and opportunities; ii) a results-oriented framework for the implementation of

strategic objectives; and iii) an indicative financial framework to support budget transparency and accountability. They are also typically based on extensive consultation with external stakeholders.

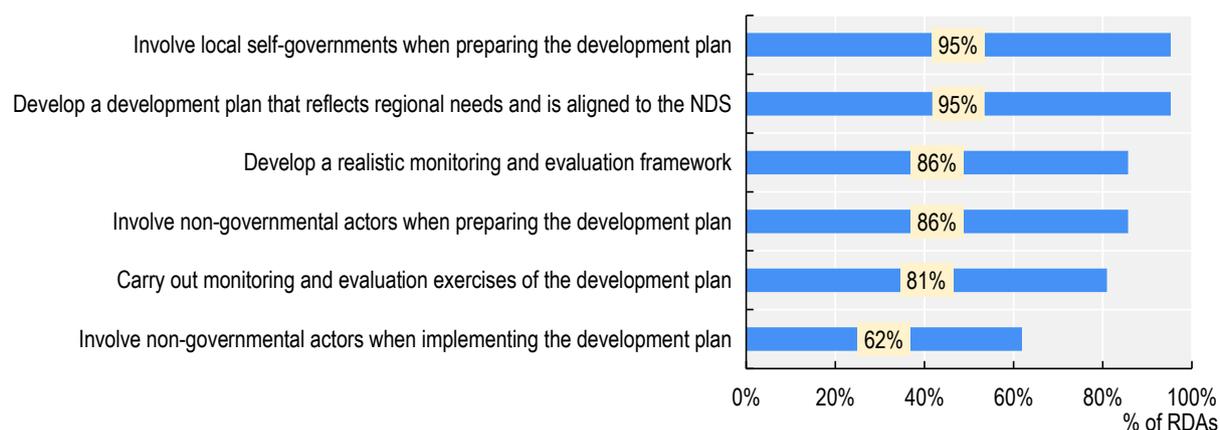
At the same time, some important areas for improvement of the county-level strategic planning process have been identified. With regard to design, county-level planning documents need to provide additional clarity on the stakeholder consultation processes. Providing information on which actors were consulted during the plan's development, on what topics, and how responses were processed can help to build trust in the strategic planning process. These county-level plans also need to clearly demonstrate their alignment with relevant higher-level planning documents, in order to further reinforce regional development policy coherence across government. Policy makers could also benefit from further clarity regarding some of the proposed implementation measures, in order to strengthen accountability for different components of the plans. Finally, with regard to performance measurement, certain county-level monitoring and evaluation practices need to be strengthened in order to identify whether policy actions are leading to the desired results.

Some important areas for improvement have also been identified with respect to the local-level strategic planning process. In particular, local-level territorial fragmentation should be addressed as many city and municipal governments currently lack sufficient financial or human resource capacity to effectively carry out tasks requiring specialist expertise, such as strategic planning.

Strengths in the county-level strategic planning process

By preparing and disseminating practical guidelines and instructions, and organising regular meetings (mainly virtual due to the COVID-19 pandemic), the MRDEUF helped the RDAs to draft county development plans. In response to an OECD county-level survey², 95% of respondents felt they had the capacity to develop a county development plan that reflects realistic needs, is aligned with the NDS, and includes local government input (OECD, 2022^[14]). In addition, 86% of respondents felt they had the capacity to develop a realistic monitoring and evaluation framework, and involve non-governmental actors when preparing county development plans (Figure 4.2).

Figure 4.2. Capacity of RDAs to carry out strategic planning tasks



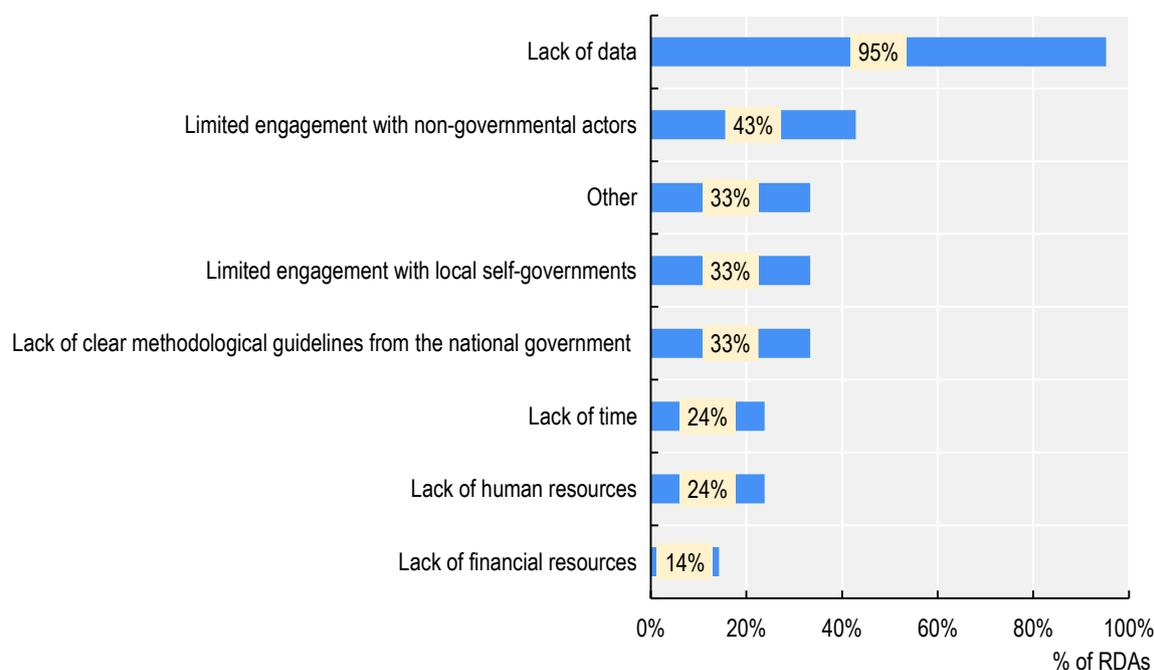
Note: Questionnaire question: Does your RDA have the necessary human resources (including expertise) to effectively carry out the following tasks related to the county development planning process? Full description of tasks: Involve the private sector, civil society or academia when implementing the county development plan; Carry out periodic monitoring and evaluation exercises of the county development plan; Involve the private sector, civil society or academia when preparing the county development plan; Develop a realistic monitoring and evaluation framework with clear objectives and indicators; Develop a county development plan that reflects regional needs and is aligned to the National Development Strategy 2030; Involve local governments (*općinas* and *grads*) when preparing the county development plan. N=21.

Source: Author's elaboration, based on (OECD, 2022^[14]).

A comparative analysis of several county development plans and implementation programmes provides insight into the various strengths of county-level strategic planning in Croatia. First, the county development plans include an extensive diagnostic on territorial development challenges and opportunities, which are categorised by policy area (e.g. demography, education, economy and labour market). The diagnostic is based on a SWOT analysis framework that identifies strengths, weaknesses, opportunities and threats for each policy area. The diagnostics are backed by qualitative and quantitative data, thereby providing a solid evidence base that can support the identification of strategic objectives (Bjelovar-Bilogora County, 2022^[15]; Koprivnica-Križevci County, 2021^[16]; Osijek-Baranja County, 2022^[17]).

It is notable, however, that 95% of the surveyed RDAs indicated that a lack of data was a challenge for developing county development plans (Figure 4.3). This is due in part to the limited availability of locally disaggregated data (in particular, economic, innovation and investment data on cities and municipalities) in Croatia, which, if available, could help to further clarify territorial needs and set priorities (OECD, 2022^[18]). Establishing statistical offices in all counties, rather than solely in major cities, could help to improve the collection and analysis of relevant subnational data needed to support the design of county development plans.

Figure 4.3. Challenges to the design of the county development plans reported by RDAs



Note: Questionnaire question: What does your RDA consider to be the three main challenges for designing your county's regional development plan (whether completed or underway)? Full response options: Lack of financial resources; Lack of human resources (including expertise); Lack of time; Lack of clear methodological guidelines from the national government; Limited engagement with local governments; Limited engagement with non-governmental actors (academia, non-governmental organisations, the private sector, citizens); Lack of data; Other. N=21.

Source: Author's elaboration, based on (OECD, 2022^[14]).

A second strength is that the plans include a logical framework that clearly links strategic objectives, operational objectives and proposed measures for implementation (Bjelovar-Bilogora County, 2022^[15]; Koprivnica-Križevci County, 2021^[16]; Osijek-Baranja County, 2022^[17]). Such an approach can support more results-oriented implementation, and can also facilitate monitoring and evaluation activities. Third, the plans include an indicative financial framework for implementation, which also supports budget

transparency and accountability. The frameworks typically set out cost estimates for achieving each strategic objective, along with planned sources of funding.

Finally, the plans analysed were developed on the basis of extensive consultation with relevant stakeholders. For example, per the national-level guidelines, a partnership council was established in each county to act as an umbrella body that could support the plan's development. Moreover, meetings and workshops were held with a range of actors (e.g. local public bodies, academia and the private sector) at the regional and local levels in order to help identify development challenges, opportunities and strategic priorities. These elements, in turn, informed the design of strategic objectives.

Areas for improvement in the design of the county-level strategic planning

Despite their strengths, several challenges related to the design of county-level strategic plans can be identified. For example, they sometimes fail to outline which actors will be responsible for implementing the actions identified in the plans. This can hamper effective implementation, for example by leading to a lack of ownership or commitment among involved parties, as unclear responsibilities can lead to disengagement.

Clarifying who contributed to the design of development plans, can increase a sense of ownership of regional development efforts

One design-related challenge relates to the fact that certain county development plans do not outline which stakeholders were involved in the design process (e.g. public bodies, academia, civil society), or which stakeholder engagement activities were organised (Bjelovar-Bilogora County, 2022_[15]). The absence of this information can make it difficult to: i) establish whether the consulted stakeholders represent an accurate cross-section of the regional population and interests; and ii) understand how their inputs were used to inform the plan's design. Both of these elements are important to help foster a sense of broad ownership over the plan and create trust in the strategic planning process.

When designing the next iteration of their development plans, counties could follow the example set by Osijek-Baranja County. Its plan provides a comprehensive overview of all participants involved in the bodies formed to support the strategy's design. It also provides a detailed description and timeline of the consultation activities by each of these bodies, adding transparency about the design process of its plan (Osijek-Baranja County, 2022_[17]).

Improving the alignment between county development plans and relevant higher-level strategic planning documents

A further challenge derives from the fact that the county development plans do not systematically demonstrate how they contribute to objectives set out in relevant higher-level planning documents. While all the plans analysed outline how they help to further the objectives that are set out in the NDS, only the Osijek-Baranja county development plan describes how it helps to further objectives that are laid out in other, higher-level plans (e.g. multi-sectoral strategies) (Osijek-Baranja County, 2022_[17]). Clarifying such alignment is important for supporting the coherence of regional development policy across government. In addition, it can help pinpoint the central government bodies (e.g. ministries) that can contribute to the implementation of different parts of the county development plan (e.g. those related to housing, education or healthcare). Including such information could provide a basis on which the RDAs can co-ordinate with those bodies.

In order to further strengthen the vertical alignment among national and subnational development strategies and plans, there are a number of actions that the government could take. First, during the next round of county-level strategic planning, strategic planning co-ordinators from each line ministry could hold

workshops for RDAs in which they: i) highlight the objectives that are included in their ministry's strategic plans; and ii) clarify how subnational governments can support their ministry's priorities.

In tandem, national-level strategic planning co-ordinators could upload background resources, containing synthesised information about strategic planning acts, onto an online portal. Such efforts would ease the burden on RDAs when verifying links between their county development plan and higher-level strategic planning. These actions could be taken when counties have to develop the next round of county development plans (i.e. in 2026-2027). However, outreach by the national-level strategic planning co-ordinators to the RDAs could potentially also be beneficial during the mid-term review of the county development plans (2024-2025). These reviews provide the RDAs with an opportunity to update their plans and ensure further continued alignment with national (incl. sectoral) and subnational development priorities.

Enhancing clarity about the actors involved in county development plan implementation

A third challenge with the design of the county development plans relates to clarity about who will support their implementation and how. It is notable that while certain county development plans reviewed by the OECD briefly list the actors responsible for implementation, none include an overview of the contributions that these actors are expected to make. The lack of detail on the contributions that public actors in particular can or are mandated to make—whether it be financial support, expertise, or material resources—means that stakeholders may not fully understand or commit to their roles. This can result in disjointed efforts, underutilisation of resources, and ultimately a lack of progress in reaching regional development objectives.

To address this issue, the government could amend the guidelines for designing county development plans and require them to provide additional information on implementation. For example, RDAs could be tasked with including a short implementation feasibility assessment in the draft plan, which could include:

- A mapping of public and non-governmental stakeholders that are mandated or can contribute to the implementation of each strategic objective, specifying the type of contribution they could make (e.g. financial, in kind, information).
- The mechanisms (e.g. co-ordination bodies) through which these stakeholders are or will be engaged in the implementation process.

Moreover, the MRDEUF, together with the RDAs, could design implementation guidelines along the above-mentioned lines to help ensure that subnational plans can be delivered effectively. For instance, the Local Government Association of England and Wales (UK) states that strategic plans should not only seek to identify all relevant local implementation partners, but also clarify expectations regarding the nature of their contribution (Local Government Association, n.d.^[19]).

As Croatia considers the above-mentioned actions, it should pay particular attention to the ways in which non-governmental actors can support the implementation of county development plans. In response to the OECD survey, all RDAs indicated that city and municipal governments will be involved in implementing the plans (OECD, 2022^[18]). However, only 52% mentioned private sector involvement, and only 29% noted the involvement of civil society actors (e.g. academia) (OECD, 2022^[18]). This suggests that certain county governments may not be fully mobilising the knowledge and capacity of non-governmental actors. Academia and the private sector can play an important role in supporting regional development objectives. Through strategic investments, the private sector can create jobs, drive economic growth and spur innovation. By conducting targeted studies on local economic conditions, social challenges, and environmental issues, for example, universities and research institutions can provide data-driven policy recommendations. Further to this, by offering educational programmes that meet sector needs they can play a key role matching labour demand and supply (OECD, 2015^[20]; OECD, 2019^[21]).

More specific objectives and performance indicators can foster targeted policy action and facilitate monitoring and evaluation

A final design-related challenge concerns the indicators used to measure progress towards the counties' regional development objectives. In the Osijek-Baranja county development plan, for example, the measures on “reducing poverty and social exclusion” and “developing and improving of communal infrastructure” are relatively vague, with no indication of what implementation will concretely entail (Osijek-Baranja County, 2022^[17]). This could lead to a lack of accountability for various implementation components, while also potentially undermining the strategy's ambitions. If the proposed measures for implementation are imprecise, box-ticking activities may suffice in order to fulfil them, rather than encouraging meaningful change. In order to avoid this issue, the national government should consider requiring plans and implementation programmes to outline concrete lines of action against which progress towards objectives can be measured, while placing special emphasis on which specific actor is responsible for the proposed actions.

Incentives for implementing county development plans

Effective implementation of the county development plans depends on more than strengthening their design. It also requires providing clearer political and financial incentives to counties, cities and municipalities to orient resources to meet regional development objectives.

Some political incentives already exist, such as the need to demonstrate results to local stakeholders. For instance, RDAs must submit an annual report on the implementation of the county development plan to the county government, which is also published online (Official Gazette of Croatia No. 44/2023, 2023^[3]). In principle, therefore, local stakeholders have an opportunity to scrutinise these reports and hold the county government accountable by reviewing whether or not objectives are on track to be achieved.

In reality, however, there is no systematic process for involving local stakeholders in monitoring progress towards achieving the objectives set out in the county development plans. Only 43% of RDAs surveyed by the OECD indicated that private sector stakeholders were involved in monitoring the plan, while only 14% indicated that civil society stakeholders were involved in doing so (OECD, 2022^[18]). This is partly by design, as monitoring reports in Croatia typically constitute the outcome of a technical reporting process, rather than a participatory process (MRDEUF, 2024^[6]). At the same time, however, this means that local public scrutiny is unlikely to provide a particularly strong political incentive for the implementation of county development plans. Setting up a publicly accessible digital platform where citizens can track counties' performance towards meeting their regional development objectives could provide counties with an additional incentive for implementation. Such a platform could adopt a ‘traffic’ light system to provide users with a quick visual cue of the areas where performance has met targets and areas where process is lacking (Wandsworth County Council, 2024^[22]).

A further political factor that complicates implementation is that while county prefects serve a four-year term, county development plans are mid-term planning documents, generally spanning six- to seven-year periods (Official Gazette of Croatia No 151/2022, 2017^[1]). As such, prefects may be more inclined to prioritise development efforts that can materialise during their tenure than to pursue longer-term regional development objectives, which may have been identified by a previous administration. Indeed, interviews suggested that there is uncertainty regarding the interest among some county prefects to implement their plans in full (OECD, 2023^[8]).

There is a lack of financial incentives for the implementation of county development plans

An additional issue is that counties currently lack: i) the financial means, and ii) clear financial incentives to implement their county development plans. For example, 95% of RDAs indicated that a lack of own-financial resources to fund activities was a key challenge to the implementation of county development

plans (OECD, 2022^[18]). This partly reflects the current composition of subnational funding and financing for territorial development in Croatia (see chapter 4). The perception that counties do not have the necessary financial means to fully implement their development plans may also be due to a lack of prioritisation of development needs and initiatives. Indeed, there are concerns that the breadth of development initiatives outlined in some county development plans far exceed the financial resources that can be mobilised (MRDEUF, 2024^[6]). The implementation of territorial development projects depends heavily on EU programmes for their funding and financing (OECD, 2023^[8]).

As such, there is a risk that the county and local priorities outlined in the county development plans will go unfunded if they cannot be covered by EU funding. This is a particular challenge given that EU funding is: i) linked to EU-level policy priorities, which may not fully cover regional and local development needs; ii) not unlimited and therefore unlikely to cover all county and local priorities; and iii) allocated on a competitive basis, which disadvantages county, city and municipal governments that do not have the necessary financial or administrative capacities to develop quality project proposals (Interreg Europe, n.d.^[23]).

A possible solution could include setting up a dedicated territorial development fund at the national level to support the implementation of projects linked to county and local development plans. This would enable the national government to allocate additional funding to county and local priorities that are not covered by EU funding. The prospect of receiving such funding could create an additional incentive for the implementation of county and local development plans and, by extension, better support the achievement of NDS objectives at county and local levels.

Areas for improvement in the local-level strategic planning process

In tandem with the county-level strategic planning challenges highlighted above, there are also a number of elements that hamper the design and implementation of local development plans. For example, interviews have indicated that many local governments have opted not to adopt a local development plan (OECD, 2023^[8]). Local development plans are, in fact, optional for cities and municipalities, which, depending on their human and financial resource capacity, can decide to only adopt short-term implementation programmes that link to the county development plans.

A key issue constraining the design and implementation of local development plans is the territorial fragmentation at the local level. Many city and municipal governments are small and have limited financial and/or human resource capacity to carry out tasks requiring specialist expertise, such as strategic planning and budgeting. While local governments may establish local development agencies (LDAs) to help carry out such tasks, only 22 LDAs, which support the activities of fewer than 30 cities and municipalities, have been established to date (Official Gazette of Croatia No 151/2022, 2017^[1]; MRDEUF, 2023^[24]).

In other cases, RDAs support city and municipal governments in their strategic planning tasks. However, given the significant range of other responsibilities with which RDAs are tasked (e.g. helping county and local governments develop project proposals for EU calls) their ability to support local-level strategic planning activities varies according to their own human resource capacity (OECD, 2023^[8]). Based on these elements, the MRDEUF has actively encouraged municipalities with limited human and financial resources to focus on adopting short-term implementation plans (MRDEUF, 2024^[6]).

There are, however, important benefits to having a local development plan. Unlike implementation programmes, for instance, development plans need to be supported by inputs from a consultation with local stakeholders and represent in greater detail the local development challenges, and the objectives to be achieved. Often this means that local development plans are likely to more closely reflect community needs and priorities and provide more guidance towards implementation. Given the limited resource capacity of many individual municipalities, Croatia could consider encouraging groups of municipalities to adopt joint local development plans. This would mean that development efforts in more local governments are guided through a robust strategic planning document.

Additional incentives for inter-municipal co-operation could strengthen local strategic planning

Enhancing inter-municipal co-operation is one way to strengthen strategic planning capacity at the local level. Since 2022, Croatia has provided city and municipal governments with a wide range of financial incentives to co-operate across jurisdictions. Existing incentives include securing co-funding grants of up to 75%³ from the national government when city and/or municipal governments co-operate to jointly perform administrative tasks. Despite these efforts however, the vast majority have yet to establish inter-municipal co-operation agreements (OECD, 2023^[25]). The limited uptake of inter-municipal co-operation may in part be due to a lack of understanding by local leaders of the potential benefits for inter-municipal co-operation, as well as fears of losing local influence in their communities (OECD, 2023^[25]).

The government is currently developing a set of guidelines and tools that can help to demystify issues related to inter-municipal co-operation. In particular, an IT system is being developed that will help city and municipal governments assess their own capacities and identify areas of potential co-operation with other local governments (OECD, 2023^[25]). The data will be collected from the Ministry of Justice and Public Administration's "Optimisation of the System of Local and Regional Self-government" and will provide a comprehensive picture of city and municipal governments' administrative, fiscal and human resource capacities (Croatian Ministry of Justice and Public Administration, n.d.^[26]).

Helping local governments map their capacity gaps and identify potential opportunities for increased co-operation with their peers could spark local leaders' interest in adopting inter-municipal co-operation arrangements. Such partnerships could be used to enhance collective strategic planning capacity. For instance, resource-sharing could help to fund the establishment of additional LDAs, which could support strategic planning and implementation activities in neighbouring cities and/or municipalities.

Further to this, the government should consider disseminating information (e.g. through brochures or a dedicated website) about the experience of the few LDAs that were created by more than one local government. For instance, it could present examples of how the LDAs have supported collective strategic planning and quantify how many national and international grants have been mobilised thanks to the support of the LDA. In addition, the government could add to the brochure or website practical information on the other ways in which existing financial incentives for inter-municipal co-operation can support local strategic planning, e.g. setting up a joint strategic planning department.

The government could also introduce additional incentives for inter-municipal co-operation in order to support the design and implementation of joint local development plans. For instance, for local governments with weak fiscal and human resources capacities, access to a particular regional development grant could be made conditional on them developing joint development plans. This approach was adopted for Italy's National Strategy for Inner Areas, which aims to counteract marginalisation and enhance the territorial 'reactivation' of remote municipalities. Only development plans that are designed and adopted by multiple municipalities are able to obtain specific EU and national funding (Italy's Territorial Cohesion Agency, 2020^[27]). Another example comes from Poland, which provides additional funding for municipalities of functional areas that prepare a joint strategic plan (OECD, 2021^[28]). There are already examples that Croatia could build on. For example, the Primorje-Gorski Kotar RDA helped nine cities and municipalities design a joint local development plan for the 2022-2027 period (Primorje-Gorski Kotar RDA, 2022^[29]).

An alternative measure would be to mandate that small local governments meeting certain criteria (e.g. those with fewer than 1 500 inhabitants) must collaborate with neighbouring cities and/or municipalities to develop a joint, local development plan. This would have a number of benefits. First, it would ensure that all Croatian territories would be covered by a development plan, which, as noted above, increases the likelihood that community needs will be more closely met than a short-term implementation programme. Second, pooling human resources through co-operative arrangements would enhance local government

capacity for strategic planning by enabling the sharing of skills, expertise and good practices. In turn, this could lead to more sustainable development solutions that are tailored to the collective needs of the communities involved. When considering such measures, however, Croatia should ensure that they help municipalities build their strategic planning capacity to address local needs and priorities, and avoid significantly adding to their planning responsibilities. The latter would risk diverting already scarce human and financial resources away from implementation.

Opportunities to build the strategic planning skills of local governments

Efforts to increase local capacity for strategic planning and implementation will require more than pooling existing resources through increased inter-municipal co-operation. The strategic planning skills and expertise of local civil servants are also necessary. The MRDEUF, as the ministry in charge of ensuring coherent strategic planning across and among levels of government, should consider expanding its current efforts (e.g. through the National Recovery and Resilience Plan 2021-2026) to build the strategic planning capacity of local civil servants (Government of Croatia, 2021^[30]). Its actions need to be supported by RDAs, whose mandate to guide county-level development planning and support local governments in areas such as mobilising EU funding leaves them well-positioned to develop the skills and expertise of local civil servants.

Interviews, however, indicated that several RDAs consider they lack the resources—in particular, time—and tools to support strategic planning at the local level (OECD, 2023^[8]). In terms of tools and resources, the RDAs identify a need for practical guidelines or manuals on strategic planning to be developed, for the benefit of city and municipal governments. In the absence of clear tools and resources, or learning opportunities such as peer-to-peer knowledge-sharing sessions, local governments often rely on external consultants to support their strategic planning processes. However, the quality of external consultants is not always high, which can result in the development of strategic planning documents of sub-standard quality (OECD, 2023^[8]). Moreover, by relying on external consultants, local governments fail to build up institutional planning capacity. When local authorities are too dependent on external support, it can prevent them from accruing the technical skills and experience of local civil servants that are needed to identify and refine poor-quality work by contractors (Wargent, Parker and Street, 2019^[31]).

There are several complementary actions that the MRDEUF and RDAs could take to enhance the strategic planning capacity of local governments, as well as that of counties. First, the MRDEUF could assess the capacity building needs of subnational governments by conducting a national-level survey. The objective would be to develop a more robust understanding of the breadth of experience of county and local civil servants responsible for strategic planning, as well as map the challenges they face. The survey could be co-designed by the RDAs. The results of the survey could be complemented by county-level focus group meetings organised by the RDAs, with the objective of further pinpointing local capacity-building needs.

Second, based on the outcomes of the strategic planning capacity assessment, the MRDEUF could develop and lead the implementation of a local government capacity building plan. It would be important, however, to ensure that the timing and thematic focus of different training activities match the specific strategic planning tasks that city and municipal governments are engaged in or will be working on in the short term (e.g. drafting of an implementation programme or review of their local development plan). This could increase the value of participating in the training activities for local civil servants.

Some training sessions could be prepared and delivered by the MRDEUF, for example on the strategic planning, monitoring and evaluation responsibilities of county, city and municipal governments. Other capacity building initiatives might be delivered by the RDAs, local government associations, Croatia's School of Public Administration, or even external experts (OECD, 2023^[25]). The training plan could also include peer-to-peer exchanges between Croatian county, city and municipal governments. These would provide an opportunity for civil servants to share good practices and lessons on how to design and implement their development plans, and report on progress.

Third, the MRDEUF, in collaboration with the RDAs, could create a practical guide or manual to help local governments design and implement their local development plan and/or implementation programme. The guide should build on the results of the strategic planning capacity mapping and could include sections on the following topics:

- **The legal and regulatory framework for (local) development planning**, specifying, for example, the planning responsibilities of local governments; how local development plans should align with higher-level planning documents; how they should be linked to local budgets; what local governments can expect from RDAs in terms of support; and what their obligations are to the RDAs in return (e.g. in terms of sharing data).
- **The strategic planning cycle**, highlighting, for example, its main stages (from drafting a diagnostic, to designing the plan, implementing it, and conducting monitoring and evaluation activities) and the specific responsibilities of local governments during each stage.

The guide should also include practical exercises, checklists and templates the local governments can use, for example to identify and engage with relevant stakeholders during the design process and conduct an implementation feasibility assessment. The Local Government Management Guide on Strategic Planning developed by the Office of the New York State Comptroller can serve as an example (Box 4.5).

Box 4.5. Local Government Management Guide on Strategy Planning

In 2003, the Office of the New York State Comptroller published a strategic planning guide for municipal decision makers. Its objective was to familiarise municipal staff with strategic planning, build their understanding of why strategic planning is beneficial, what applying strategic planning entails and which actors should be involved.

The guide consists of two distinct, but complimentary, parts. The first provides a theoretical explanation of strategic planning. The second is a “How-To” guide for municipal officials who have little to no prior experience in strategic planning. It also includes practical forms that municipalities officials can easily fill out, checklists for action and reference material.

Even though the guide was developed over two decades ago, it is still being used. In fact, it was used by the International City/County Management Association to support the design of a 2022 strategic planning manual for managers of small municipalities.

Source: Author’s elaboration, based on (Office of the New York State Comptroller, 2003^[32]; ICMA, 2022^[33]).

To support the development of a strategic planning guide, and help ensure it meets the needs and capacity of local governments, the MRDEUF could set up an *ad hoc* working group consisting of RDAs and representatives from Croatia’s three local government associations. This group could provide inputs for the guide, and review sections of the document drafted by the MRDEUF. Several measures can be taken to ensure officials take a broad interest in—and use—the guide. For example, making sure it is concise, easy to use, and written in easy-to-understand language. Furthermore, the MRDEUF and RDAs could organise a series of virtual or in-person meetings to present the guide and explain how the practical exercises and templates should be used.

Fourth, the MRDEUF, together with the RDAs, could also create an online strategic planning toolbox to enable local civil servants to learn at their own pace. This might be a cost-effective way to make resources and training materials easily accessible to county and local governments, and could be particularly beneficial given the limited capacity that MRDEUF and RDA staff have to organise frequent training sessions. In addition, it could provide local civil servants with the flexibility to access materials and resources at a time that is convenient for them. The online toolbox could include a variety of resources,

such as the presentations prepared for the training and workshops mentioned earlier, the strategic planning manual, as well as reading material, and easy-to-adapt templates. The Territorial Portal (*Portal Territorial*) developed by the National Planning Department of Colombia could provide an example (Box 4.6).

Box 4.6. Colombia's online territorial portal

The Territorial Portal of Colombia was created by the National Planning Department to help municipalities improve municipal planning, administration and service delivery. The portal functions as a one-stop-shop for:

- Information on municipal planning and budgeting regulations and procedures.
- E-learning packages on topics such as: public investment, spatial planning, financial management, design of local development plans, and monitoring and evaluation. These packages include manuals, training videos, recommendations, examples of good practices, etc.
- Excel and PowerPoint templates that can be filled out by the local governments to help them carry out specific planning tasks. These include, for example, Excel spreadsheets for conducting ex-ante assessments of investment projects, and designing a development plan results framework.
- Contact information of territorial advisors located in different parts of the country.
- Access to all national, regional and municipal development plans.

Source: Author's elaboration, based on (Colombian National Planning Department, 2021^[34]).

Finally, even if the MRDEUF and RDAs are able to increase their capacity-building support to local governments in the field of strategic planning, some may continue to contract external consultants, for example to help draft a local development plan or an implementation programme. To help those local governments, the MRDEUF and RDA can develop support material, such as practical guidelines on how to identify and contract well-qualified consultants. The support material, which can be published on the MRDEUF or RDA websites and disseminated through the relevant partnership councils, could include:

- Recommendations on how to define the objectives and scope of work for the external consultant. For example, it could recommend that cities and municipalities refrain from outsourcing the design of the full local development plan, but rather contract a consultant to support the development of specific sections. This would help the local civil servants create a sense of ownership of the plan and build up their strategic planning skills in the drafting process.
- Suggested qualifications, experience, and expertise that local governments should look for when selecting an external consultant.
- A template to help local governments draft terms of reference for external consultants tasked with supporting the development of local strategic planning documents.

Monitoring and evaluation of regional development in Croatia

Monitoring and evaluation are fundamental parts of a well-functioning strategic planning system. Monitoring can help assess progress made towards the implementation of strategic plans and identify potential bottlenecks during their implementation. Meanwhile, evaluation can help understand whether planning objectives have been achieved, what has been their impact and for whom and, consequently, improve learning for future plans. Monitoring and evaluation involve different methodologies, timelines and tools. Moreover, they require specific skill sets. However, they are also complementary practices. This

section provides an overview of the monitoring and evaluation system in place to support Croatia's policy cycle, looking in particular at the monitoring and evaluation of subnational plans.

Institutional framework for monitoring and evaluation of regional development policy

Institutionalising monitoring and evaluation is essential to ensure that such activities are conducted on a systematic basis and feed decision-making and strategic planning. There is no uniform approach to the way in which governments have institutionalised monitoring and evaluation for strategic planning, and the specific setup in each country often depends on its overall institutional and legal culture. However, the OECD has identified several common elements that underpin sound institutional frameworks for the monitoring and evaluation of strategic plans, including (OECD, 2020^[35]):

- A clear and shared understanding across government of what monitoring and evaluation is comprised of, in terms of different objectives, methods and tools;
- A framework that establishes high-level guidance on when and how monitoring and evaluation should be conducted;
- Specific actors that have an explicit mandate to conduct and/or co-ordinate monitoring and evaluation activities across government.

This section looks at the extent to which these three elements can be found at the county and local levels in Croatia. To reinforce the progress Croatia has made in institutionalising its strategic planning system, additional attention should be paid to performance measurement, and particularly to the attribution and alignment of responsibilities for monitoring and evaluation among levels of government.

Croatia has adopted a clear and shared definition of monitoring and evaluation

Establishing a clear cross-government definition for monitoring and evaluation is important for building a shared understanding of their respective objectives, tools and methods. While monitoring and evaluation pursue complementary objectives, they provide different types of evidence and mobilise different methods (Box 4.7).

Box 4.7. Differences between monitoring and evaluation

Monitoring can be defined as the systematic collection of performance data to assess the progress and achievement of objectives against set targets. It helps to identify and address implementation bottlenecks. As such, it is by nature an ongoing activity, which should be conducted with sufficient regularity so as to allow decision-makers to identify and correct issues related to the implementation of strategic plans. Unlike evaluation, monitoring is driven by regular and frequent data collection. Whereas policy evaluation studies the extent to which the observed outcome can be attributed to the policy intervention, monitoring provides descriptive information and does not offer evidence to analyse and understand cause-and-effect links between a policy initiative and its results.

Policy evaluation, which is defined by the *OECD Recommendation on Public Policy Evaluation* as the structured and objective assessment of the design (ex-ante evaluation), implementation and/or results of an ongoing (mid-term evaluation) or completed public intervention (ex-post evaluation) is more episodic in nature. Its primary purpose is to demonstrate or explain challenges regarding design, implementation challenges and/or results of strategic plans. Thus, while often conflated, monitoring and evaluation have very distinct aims and need to be supported by different tools.

Source: Author's elaboration, based on (OECD, 2021^[36]; OECD, 2022^[37]).

Croatia's Law on the System of Strategic Planning and Development Management distinguishes monitoring and evaluation as separate activities (Official Gazette of Croatia No 151/2022, 2017^[11]). The law defines monitoring as "the process of collecting, analysing and comparing indicators that systematically monitor the success of the implementation of objectives and measures of strategic planning acts." The same law defines evaluation as an "independent comparison and assessment of the clarity and measurability of the established objectives, the adequacy of the selection of indicators for monitoring the achievement of the established objectives, planned costs and the expected and achieved results, outcomes and effects of the implementation of strategic planning acts" (Official Gazette of Croatia No 151/2022, 2017^[11]). The above definitions capture the differences between the two practices.

Legislation provides high-level guidance but the monitoring methodology could be further clarified

Establishing clear, high-level guidance is the first step to ensuring that monitoring and evaluation is conducted systematically. It also helps the various actors involved in strategic planning to understand what should be monitored or evaluated, by whom, according to what timeline and for what purpose.

In Croatia, there is a solid legal framework for monitoring and evaluating regional and local planning documents. This helps to ensure that monitoring and evaluation of county- and local-level plans is being systematically conducted. For example, the Law on Regional Development (Official Gazette of Croatia No 147 et al., 2018^[7]):

- Establishes monitoring and evaluation as key principles that should support the design and implementation of regional development policy;
- Tasks RDAs with monitoring and evaluating county development plans and implementation programmes;
- Provides guidance on how frequently RDAs should report to the MRDEUF on the implementation of the different planning documents;

- Establishes common rules for the monitoring and evaluation of all planning documents, including county and local development plans and implementation programmes.

Moreover, the law prescribes that county and local development plans should be supported by both monitoring and evaluation activities, while county and local implementation programmes only need to be supported by monitoring (Figure 4.4).

Figure 4.4. Different legal requirements for county and local planning documents in Croatia

	County level		Local level	
	Mid-term: development plans of counties	Short-term: implementation programs of counties	Mid-term (optional): development plans of cities and municipalities	Short-term: Implementation programs of cities and municipalities
Monitoring	✓	✓	✓	✓
Evaluation	✓	x	✓	x

Source: Authors' elaboration based on (OECD, 2023^[8]; Official Gazette of Croatia No 151/2022, 2017^[1]; Official Gazette of Croatia No 147 et al., 2018^[7]).

In addition to the above-mentioned laws, high-level guidance on monitoring and evaluation at the subnational level in Croatia is complemented by secondary legislation (Annex Table 4.A.1). In 2023, the MRDEUF adopted three new ordinances that provide guidance on: i) how to structure the evaluation process for development plans; and iii) how to monitor the development plans (Box 4.8).

Box 4.8. Main ordinances guiding the monitoring and evaluation of development plans

The Ordinance on the Procedures for Monitoring and Reporting clarifies the timeline according to which RDAs and LDAs must prepare the monitoring reports for development plans. With regards to county-level plans, RDAs must submit an annual monitoring report on the implementation of the county development plan on the 31st of March to their county council. They must also submit the annual report to the MRDEUF within eight days of the county government's approval.

The Ordinance on the Implementation of the Procedure for Evaluation sets out rules on how to conduct evaluations of county and local-level plans. County, city and municipal governments must conduct an ex-ante evaluation, a medium-term evaluation and an ex-post evaluation of their respective development plans. The Ordinance indicates that the evaluations should assess the relevance, coherence, efficiency, effectiveness, impact and sustainability of the plans. It also provides guidance on how the evaluation process should be conducted (including the roles of relevant actors involved) and establishes follow-up mechanisms, while also clarifying how county, city and municipal governments should publish evaluation results.

Source: Author's elaboration, based on (Official Gazette of Croatia No 44/2023, 2023^[38]; Official Gazette of Croatia No 44/2023, 2023^[39]).

Through the above-mentioned documents, the government provides extensive high-level guidance on how the monitoring and evaluation of county- and local-level planning documents should take place. This provides actors (e.g. RDAs) with a clear outline of their monitoring and evaluation-related tasks and

responsibilities. One area for potential improvement, however, is the way in which relevant monitoring and evaluation-related guidance has been embedded in various laws and ordinances. This limits the ease with which RDAs and other public bodies with monitoring and evaluation responsibilities are able to access relevant information. In order to address this issue, the MRDEUF could develop a single set of non-binding methodological guidelines to recap the legislative provisions in simple, action-oriented language. This same approach has been adopted in a number of OECD Member countries. For example, in the United Kingdom methodological guidelines play a role in clarifying monitoring and evaluation for all relevant actors across government, with several non-binding guidelines being used systematically. These include the following documents (HM Treasury, 2022^[40]):

- **The Green Book**, which provides guidance on the appraisal and evaluation of policies, programmes and projects. It also provides guidance on the design and use of monitoring and evaluation before, during and after implementation.
- **The Magenta Book**, which offers guidance on evaluation methods. In particular, it provides material on the evolving approaches and methods used in evaluation, and emphasises the value of evaluation in providing evidence for the design, implementation and review stages of the public policy cycle.
- **The Aqua Book**, which focuses on the development of transparent, objective, evidence-based appraisal, evaluation and design of proposals, in order to inform public decision making.

Responsibilities for monitoring and evaluation across government are clearly defined in law, but may not always be fit-for-purpose

Clarifying roles and responsibilities for monitoring and evaluation is essential for ensuring effective co-ordination and communication among the different actors involved. Ensuring such clarity is particularly important in a regional development context, given that several national, county- and local-level actors may be involved in supporting such activities (Table 4.1). In Croatia, mandates for conducting monitoring and evaluation are clearly defined. Legislation establishes that the MRDEUF is responsible for monitoring the implementation of regional development policy at the national level, while at the county and local levels, such activities fall under the purview of RDAs and LDAs. Moreover, county, city and municipal governments are responsible for sharing data on the implementation of development plans with RDAs and LDAs (Official Gazette of Croatia No 151/2022, 2017^[1]; Official Gazette of Croatia No 147 et al., 2018^[7]).

Table 4.1. Institutions involved in the monitoring and evaluation of county plans and their responsibilities

Institution	Responsibilities for monitoring	Responsibilities for evaluation
MRDEUF	<ul style="list-style-type: none"> • Maintains Library of Indicators. • Monitors the status of implementation of the development plans, through the annual reports. 	<ul style="list-style-type: none"> • Participates in the evaluation committee.
RDAs and LDAs	<ul style="list-style-type: none"> • Monitor and report on the implementation of regional and local plans. • Produce the annual monitoring reports. 	<ul style="list-style-type: none"> • Develop an evaluation plan.
County and local governments	<ul style="list-style-type: none"> • Share data with RDAs and LDAs to support the preparation of annual monitoring reports. • Approve the monitoring reports. 	<ul style="list-style-type: none"> • Initiate the evaluation process. • Approve an evaluation plan. • Appoint an evaluation team. • Establish an evaluation committee.

Source: Author's elaboration, based on (Official Gazette of Croatia No 151/2022, 2017^[1]; Official Gazette of Croatia No 147 et al., 2018^[7]).

The mandate for conducting evaluations, however, is not defined *ex-ante*. While the MRDEUF is mandated to set out common principles, criteria and standards for the evaluation procedures, the actors responsible for actually conducting the evaluations are not defined in law. Rather, the relevant legislation merely states that evaluations should be carried out by an evaluation team of internal or external experts who are “functionally independent” of the actors responsible for the design and implementation of planning documents. The evaluation team submits its evaluation reviews (be they *ex-ante*, mid-term or *ex-post* evaluations) to a temporary body called an evaluation committee, which is comprised of representatives from the MRDEUF, the RDA and other relevant stakeholders in charge of implementing the county, city or municipal development plan (Official Gazette of Croatia No 44/2023, 2023^[39]; OECD, 2023^[25]). The evaluation committee provides an opportunity for the MRDEUF to review challenges related to the implementation of development plans and issue recommendations to address them.

Other important actors involved in supporting the evaluation process include RDAs and LDAs, who are responsible for developing an evaluation plan (i.e. a timeline of evaluation reviews that need to be conducted in any given year). Finally, county, city and municipal governments are responsible for approving the evaluation plan, as well as appointing the evaluation team and the evaluation committee (Official Gazette of Croatia No 44/2023, 2023^[39]).

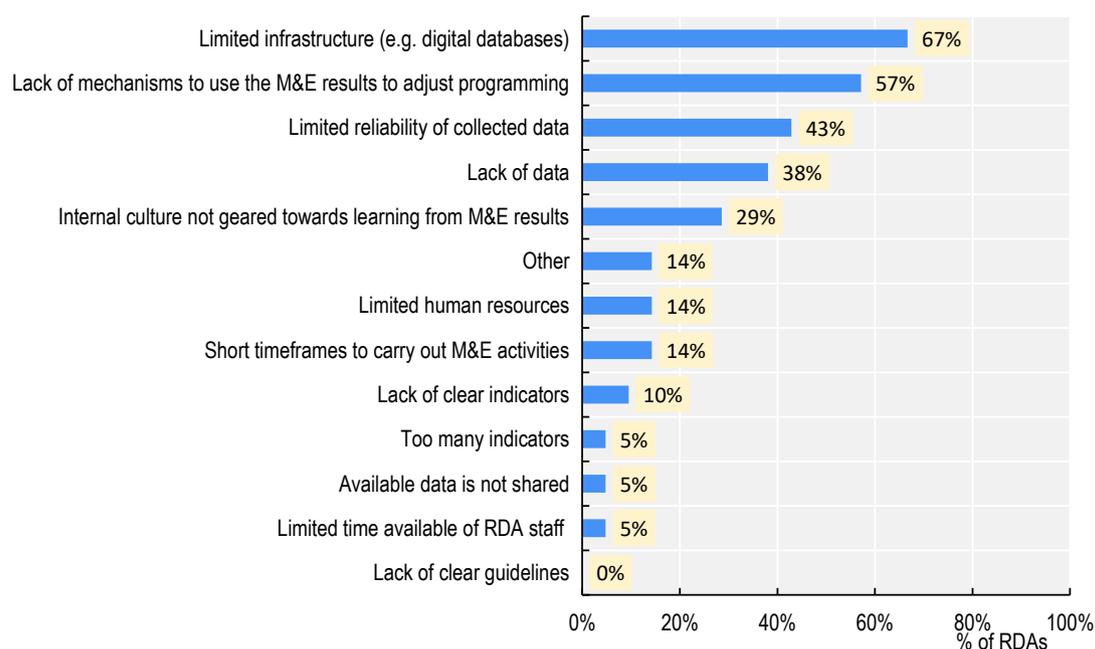
While monitoring and evaluation responsibilities across government are clearly defined, there are opportunities to refine them. For example, RDAs are responsible for monitoring the implementation of county development plans but rely on data from county departments, cities and municipalities that are often delivered too late. This leaves them with limited time to process the information before having to submit a monitoring report to the county government and the MRDEUF (OECD, 2023^[41]; OECD, 2023^[8]). In order to improve the quality of reporting on the implementation of regional development policy, reporting timelines should be adjusted. In particular, county departments, city and municipal governments should be required to share data earlier than currently. This would provide RDAs with sufficient time to process local-level data and make requests for clarification or additional information before the monitoring reports must be submitted to the MRDEUF.

Quality of regional development monitoring and evaluation

While a clear assignment of tasks and responsibilities is a necessary pre-condition for ensuring that monitoring and evaluation takes place on a systematic basis, it does not, in and of itself, guarantee that the data and evidence being produced for monitoring and evaluation activities are of good quality. Yet, the quality of monitoring and evaluation is essential for ensuring that results can lead to policy learning, support improvements in the implementation of plans and be used by decision-makers with confidence. To be credible, monitoring and evaluation must be: i) technically and methodologically sound; and ii) well-governed. The first aspect can be ensured through sound data collection, rigorous methods and adequate resources (e.g. skills in monitoring and evaluation). At the same time, ensuring technical quality is not enough and it is important to make sure that monitoring and evaluation are well-governed, meaning that they are conducted in a way that can ensure both its independence and impact in decision making processes.

In Croatia, the quality of monitoring reports and evaluations is inconsistent at county and local levels. RDAs noted several challenges that constrain effective monitoring and evaluation of county development plans. These include limited technical infrastructure to support monitoring and evaluation activities (i.e. relevant IT tools), limited reliability and/or lack of relevant data, and a lack of mechanisms enabling the use of monitoring and evaluation results to adjust programming (Figure 4.5). Conversely, no RDAs indicated that a lack of clear guidelines is a key challenge to monitoring and evaluating the county development plans (OECD, 2023^[8]). This may reflect the MRDEUF's efforts to create the wide range of ordinances, guidelines and instructions on monitoring and evaluation for national- and subnational-level policy makers.

Figure 4.5. Main challenges in monitoring and evaluating county development plans



Note: Questionnaire question: What does your RDA consider to be the three main challenges to monitoring and evaluating your county's regional development plan? Full response options: Lack of clear guidelines; Limited time available of RDA staff; Available data is not shared (e.g. by the national government or local governments); Too many indicators (making monitoring and evaluation overly complex and/or time-consuming); Lack of clear indicators; Short timeframes to carry out monitoring and evaluation activities (including reporting); Limited human resources (including expertise); Internal culture not geared towards learning from monitoring and evaluation results; Lack of data; Limited reliability of collected data; Lack of mechanisms to use the monitoring and evaluation results to adjust programming; Limited infrastructure (e.g. digital databases, data analysis software); Other. N=21.

Source: Author's elaboration, based on (OECD, 2022^[14]).

Ensuring that good-quality monitoring and evaluation can take place at all levels of government depends on having access to appropriate tools and data, and being equipped with appropriate skills. It also depends on clear methodological guidelines and quality control mechanisms being in place to support relevant actors in their monitoring and evaluation tasks. This section evaluates the extent to which the above-mentioned elements are in place at the county and local levels in Croatia.

Developing quality assurance and control mechanisms could improve the technical standard of evaluation reports

To be robust and trustworthy, and generate learnings that can improve the implementation of development plans, policy evaluations need to be both independent (i.e. free from undue political pressure or organisational influence) and methodologically sound (i.e. properly designed, using sound data collection practices and rigorous analytical methods).

A number of mechanisms can be adopted to support these objectives. These include quality assurance mechanisms, which seek to ensure credibility in the way in which the evaluation is conducted (i.e. the process). They can also include quality control mechanisms that focus on ensuring that the end product (i.e. the report) meets quality standards (OECD, 2020^[35]). Across OECD Member countries, the most commonly used quality assurance mechanism is methodological guidelines (Box 4.9). Examples of quality control mechanisms are less common in OECD Member countries, but can include formal or informal peer reviews of the quality of evaluation products (e.g. in Portugal or Germany) (OECD, 2020^[35]). Deploying a mix of quality assurance and quality control mechanisms may provide the best opportunity for policy makers to enhance the quality of their policy evaluations.

Box 4.9. The New South Wales Government's Evaluation Toolkit and the Better Evaluation website

In order to support quality policy evaluation, the Government of New South Wales, Australia, developed an Evaluation Toolkit. The toolkit is an online resource that provides government agencies with advice and tools for planning and conducting programme evaluations. It supports evaluation managers, and internal or external evaluators to manage an evaluation project, choose the appropriate methods, use them well, and meet the quality standards set out in associated guidelines. The toolkit provides concrete guidance through seven steps to ensure evaluation quality in terms of technical rigour, practical feasibility, utility and ethics.

A key resource that complements the toolkit is the Better Evaluation Website, through which actors from across the globe continuously provide information and guidance on evaluation. This platform was launched in 2012, and, in 2022, became the knowledge platform of the Global Evaluation Initiative, a coalition of organisations and experts working on monitoring and evaluation from various perspectives. More than 300 evaluation methods, tools and resources are currently accessible, on topics ranging from what data should be evaluated and how they should be synthesised, to how to conduct effective evaluation reporting and use the results to support improvements in the strategic planning cycle.

Source: Author's elaboration, based on (New South Wales Government, 2023^[42]; BetterEvaluation, 2024^[43]).

The Ordinance on the Implementation of the Procedure for Evaluation introduces a number of quality assurance provisions that aim to strengthen the independence and good governance of the evaluation process. For instance, as discussed above, it mandates that evaluation teams in county, city and municipal governments, which are responsible for evaluating county and local development plans, must be independent of those involved in the drafting process (Official Gazette of Croatia No 44/2023, 2023^[39]). In

principle, this prevents county and local-level officials from ‘marking their own homework’, thereby avoiding potential conflicts of interests. Interviews with local stakeholders indicated that, in practice, RDAs and LDAs often outsource their evaluations to external evaluators due to limited internal capacities (OECD, 2023^[8]).

Moreover, in support of good governance, the Ordinance mandates the creation of an evaluation committee comprised not only of the MRDEUF, and RDAs or LDAs, but also other local public and non-governmental actors involved in supporting implementation. The committee’s composition can help increase the attention that different levels of government pay to the implementation of county and local development plans, including expected and achieved results. It also provides a forum where possible solutions to implementation challenges can be discussed by relevant actors.

Notwithstanding these elements, the methodological quality of evaluations in Croatia has varied. For instance, in some cases when evaluations were outsourced, limited flexibility in the selection of the external evaluators and value for money considerations have led to lower quality proposals (OECD, 2023^[8]).

To promote evaluation quality, some counties have developed quality criteria, and included them in the Terms of References prepared for external evaluations. For example, in a tender to outsource the ex-ante evaluation of their draft county development plan, the Osijek-Baranja County indicated that interested evaluators need to possess specific skills and expertise (e.g. past experience in evaluating strategic plans, analytical and presentation skills) (OECD, 2023^[8]).

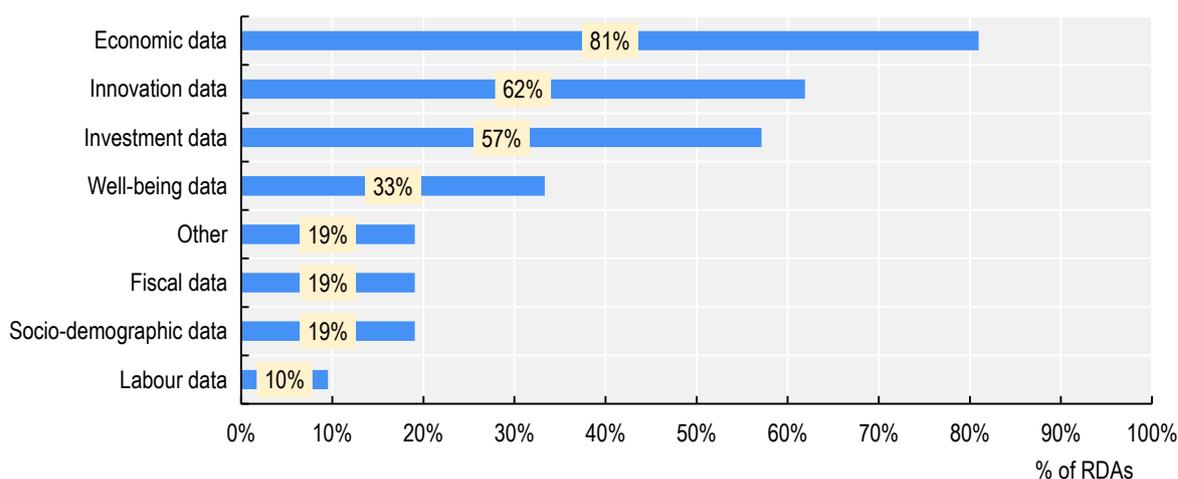
Nevertheless, Croatian RDAs and LDAs could further strengthen the quality of evaluation reports by putting additional quality assurance and control mechanisms in place. One way to do so would be by establishing a network of evaluators across RDAs and LDAs to facilitate sharing good practices and providing an informal peer review of evaluation reports. Indeed, while RDAs and LDAs often do not perform evaluations themselves, they do play an important role in defining the scope of evaluations and assessing the quality of the end product. For this reason, sharing their experience in commissioning evaluations and managing evaluation teams could be beneficial for identifying potential obstacles and promoting the diffusion of good practices. In addition, a network of evaluators could offer opportunities for RDA staff to serve as informal peer reviewers for evaluations that are conducted by other RDAs.

A lack of access to, or awareness of, timely and granular data in Croatia constrains monitoring effectiveness

Ensuring access to high-quality and timely data is essential during the design stage of development plans, in order to ensure the latter adequately reflect local needs, priorities and capacities. High-quality and timely data are also critical for producing a results-based monitoring and evaluation system. Depending on the type of analysis being performed, different data sources (e.g. survey data, administrative data) or types of data (e.g. microdata, statistical data) may be needed.

The limited availability of subnational data is considered to be one of the most significant challenges to producing good-quality monitoring reports on Croatia’s county and local development plans and implementation programmes. RDA’s reported that the increased availability of economic, innovation and investment data in particular could help them improve evidence-based decision making (OECD, 2023^[8]) (Figure 4.6).

Figure 4.6. Data needs, as reported by RDAs



Note: Questionnaire question: Question: What type of territorially disaggregated data (data by region and/or local government) could help your RDA improve evidence-based decision making? Please select 3 options from the following list: Labour data (e.g. on productivity, (un)employment); Socio-demographic data (e.g. on population by age groups, migration); Fiscal data (e.g. expenditure, investment, revenue of counties and local governments); Well-being data (e.g. on education, healthcare outcomes, crime); Investment data (e.g. foreign direct investment at the subnational level); Innovation data (e.g. on patent applications, research and development expenditure in the business and public sectors); Economic data (e.g. on regional GDP, competitiveness); Other data. N=21.

Source: Author's elaboration, based on (OECD, 2022^[14]).

The high demand for economic data may reflect a desire among RDAs to more closely track the effects of development initiatives on the local economy (e.g. on job creation). The demand for additional data on innovation may be explained by RDA efforts to foster regional competitiveness, and, in several counties, to advance work on industrial transition. Finally, obtaining increasingly-granular investment data can be essential for understanding the inflows of capital and their subsequent effects on regional and local development.

The scarcity of such data at the subnational level (in particular at the NUTS 3 level), poses a challenge for RDAs seeking to conduct thorough and accurate monitoring and evaluation exercises. Without timely and granular data, RDAs may struggle to pinpoint areas of progress or concern, potentially leading to an inefficient allocation of resources and delayed policy adjustments. Furthermore, as stated, the lack of granular data hinders the ability of policy makers to tailor development strategies to the unique needs and opportunities of specific regions.

To increase the evidence available to decision-makers involved in the design, monitoring and evaluation of county and local development plans, Croatia should invest in territorially-disaggregated data. Currently, subnational governments are not systematically consulted by Croatia's Bureau of Statistics on how to bridge local data gaps. For example, counties are not involved in supporting the annual planning of Croatia's statistical programme and only four out of 21 counties have local branches of the Croatian Bureau of Statistics. This runs counter to the experience in several OECD Member countries (e.g. Canada and the Netherlands), where the local government associations and national statistics institutes often strike strategic partnerships to increase the production and dissemination of local data (Federation of Canadian Municipalities, 2022^[44]; Association of Dutch Municipalities, 2021^[45])

Conducting surveys is one of the few ways in which counties, cities and municipalities are able to obtain additional data. However, skills and resources for data collection and analysis are limited at the subnational level (OECD, 2023^[8]). In order to address this challenge, the MRDEUF should consider organising regular

discussions between the network of RDAs and subnational government associations on the one hand, and the Croatian Bureau of Statistics on the other, in order to identify: i) subnational data needs; and ii) how additional data can be collected, analysed and disseminated.

The challenges experienced by subnational governments in terms of data availability cannot, however, be fully explained by the lack of local data being produced. They are also related to limited awareness among county and local governments regarding existing datasets. Interviews with local stakeholders have indicated that RDAs, LDAs and local governments are often unaware of existing local-level datasets, or where such data might be accessed (OECD, 2023^[6]).

There are a number of options that the national government could consider to address this data issue. For instance, the above-mentioned meetings with the MRDEUF, Croatian Bureau of Statistics, network of RDAs and local government associations could also be used to perform a data-mapping exercise, in order to apprise subnational governments of relevant data and where such data might be accessed. In turn, RDAs could share such information during their meetings with local governments.

An alternative, or complementary approach could be for the Croatian Bureau of Statistics to launch a newsletter that provides periodic updates on data that are relevant for county, city and municipal governments, as well as training opportunities on how such data can be used by policy makers. This has been adopted in the Netherlands, where the Central Bureau of Statistics provides users with the chance to sign up for a series of free email subscriptions, which provide regular updates on the availability of key data (CBS Netherlands, n.d.^[46]). An additional option would be for the Croatian Bureau of Statistics, the MRDEUF and RDAs to collaborate in the development of a publicly accessible portal to improve evidence-based decision making by local public officials. The Data Analysis Portal of the United Nations Development Programme (UNDP) in Mexico can provide some guidance on the components a publicly accessible portal could include (Box 4.10). Policy measures such as these can contribute to Croatia's efforts to strengthen its mechanisms for monitoring and evaluating regional development policy and plans, which is explored in more detail in the next section.

Box 4.10. Data Analysis Portal in Mexico

In order to improve evidence-informed decision making by public officials at the national, state and municipal levels, UNDP Mexico created the Data Analysis Portal (*Plataforma de Analisis de Datos*). It has three main components:

1. A databank that contains regional- and local-level data on over 600 indicators that are gathered by the National Institute of Statistics and Geography. The databank enables users to browse different datasets, generate charts and tables and make comparisons.
2. A databank with relevant analytical reports, development strategies and plans.
3. An application that enables users to download very concise information sheets for municipal government. The sheets present up-to-date information on a wide range of indicators (e.g. health, governance, education, crime) and compare municipalities' performance with that of the regional and national averages.

Source: Author's elaboration, based on (UNDP Mexico, 2023^[47]).

Improving the quality of indicators can help policy makers track progress in meeting regional development objectives

Beyond the availability of timely, in-depth and high-quality data, effective monitoring also relies on a set of selected indicators that provide information on the state of implementation of development plans,

programmes and projects. To be informative, indicators need to be well linked to the objectives of the strategic planning documents, and data need to be collected regularly enough to support the different monitoring goals (i.e. accountability, decision making and communication). In this regard, 71% of surveyed RDAs indicated that one of their greatest administrative capacity-related challenges was how to formulate effective performance indicators (OECD, 2022^[18]). Different county development plans reviewed by the OECD also point to gaps in this area (Bjelovar-Bilogora County, 2022^[15]; Osijek-Baranja County, 2022^[17]).

In Croatia, the MRDEUF has developed guidelines to ensure that RDAs select suitable indicators to monitor development plans. The MRDEUF also set up a Library of Indicators, which serves as an exhaustive list from which RDAs can pick indicators to monitor regional and local development efforts (Official Gazette of Croatia No 151/2022, 2017^[11]). Yet, some of the performance indicators developed for county development plans are insufficient to holistically monitor whether strategic objectives are being achieved. For instance, in the Bjelovar-Bilogora county development plan, one of the objectives is “demographic development of the county” for which measures are outlined to: i) support higher fertility rates, and ii) curb the emigration of young people (Bjelovar-Bilogora County, 2022^[15]). At the same time, only one higher-level outcome indicator has been developed to track progress towards the objective “number of live births, by county”. Given that the indicator does not take the emigration element into account, it provides an incomplete picture of progress towards the objective. In order to address this issue, policy makers should ensure that proposed implementation measures are systematically linked to performance indicators, with initial and target values.

The use of indicators such as these may be the result of the Library of Indicators containing several outcome and impact indicators, for which the underlying data are either not systematically collected at regional or local levels, or are not collected frequently enough to support the preparation of annual monitoring reports. A failure to address challenges linked to indicator quality risks RDAs producing monitoring reports that may not accurately or comprehensively reflect the progress made on meeting county or local development goals. This in turn, could lead to misguided policy adjustments and resource allocation. Additionally, reliance on incomplete or mismatched indicators can undermine the credibility of the monitoring process and diminishing stakeholder trust in the effectiveness of the development efforts. While RDAs can propose additional indicators for the Library, many consider it to be a complex process (OECD, 2023^[8]). To help address this, the MRDEUF has developed a guide for the Library of Indicators, which also provides some instructions on how to submit new indicators to the library (MRDEUF, n.d.^[48]).

In order to improve the quality of the indicators used in the county and local development plans, the MRDEUF may wish to update the Library of Indicators. However, such an effort should be the result of a close collaboration with the RDAs and the Croatian Bureau of Statistics. Such a partnership could help to ensure that the indicators chosen are both relevant and can be measured at regular intervals (i.e. that data are available to assess performance). Similar collaborative approaches to the definition of indicators for regional development have been adopted in several OECD Member countries (Box 4.11).

Box 4.11 Selecting indicators for regional development: using a participatory approach

The development of a robust set of indicators is a critical step to monitoring and evaluating regional development policy. Often however, a top-down approach is used. While a top-down definition of indicators (e.g. the MRDEUF in the case of Croatia) can help to ensure that indicators meet certain quality standards (commonly the R.A.C.E.R. criteria⁴) and maintain comparability across regions, it often lacks the flexibility required to adapt to specific regional contexts. To avoid this problem, a participatory approach to defining indicators involving both national and subnational stakeholders can be used to enhance their relevance and applicability. This collaborative method has been employed in the United Kingdom, Canada, Italy, and Austria to align indicators more closely with regional realities.

For instance, Austria's approach to selecting indicators for the 2007-2013 planning period involved a working group of both regional and national actors, who collectively chose 15 key indicators. In a similar exercise, Italy placed considerable emphasis on regional input to ensure the chosen indicators were backed by data that were actually accessible at the regional level. Such participatory approaches not only enhance the appropriateness of indicators for regional contexts, they also foster a sense of ownership among regional stakeholders, thereby enhancing the overall effectiveness of regional planning and development.

Source: Author's elaboration, based on (OECD, 2009^[49]).

The impact of monitoring and evaluation evidence on regional development policy making

Monitoring and evaluation activities are not valuable unless their results are used to inform current and future strategic plans and their implementation. Indeed, without monitoring and evaluation results being used to inform the policy cycle, gaps will remain between what policy makers aim to achieve and real-world policy outcomes. However, just because monitoring and evaluation activities take place does not guarantee that their findings will be applied. The effective use of monitoring and evaluation results is multifaceted, and can be influenced by factors such as the governance system, institutional culture, and external demand (e.g. of non-governmental actors) for evidence-informed decision making. To enhance the impact of monitoring and evaluation, it is essential for governments to integrate their findings into the regional policy-making cycle, including strategy formulation and resource allocation. Moreover, clearly communicating monitoring and evaluation results can ensure that they guide regional development initiatives and stakeholder engagement effectively.

In Croatia, 57% of RDAs cited the use of monitoring and evaluation results to adjust planning and programming as the second most important hurdle they face related to effective monitoring and evaluation (OECD, 2023^[8]) (Figure 4.5). Nevertheless, some interesting follow-up mechanisms already exist at the local level. This section explores the extent to which these mechanisms are effective, and suggests ways to increase the impact of monitoring and evaluation results and ultimately their use.

Creating feedback loops through decision-making processes

Effective monitoring and evaluation is particularly important for helping county and local governments identify whether their actions are leading to desired results, or whether programming changes may be necessary. Monitoring and evaluation evidence can be used to pursue three main objectives:

- **It contributes to operational decision making**, by providing evidence to help measure performance and identify implementation delays or bottlenecks;

- **It can strengthen accountability** related to the use of resources, the efficiency of internal management processes, or the outputs of a given policy initiative;
- **It contributes to transparency**, providing citizens and stakeholders with information on whether the efforts carried out by the government are producing the expected results.

Each of these goals are supported to varying degrees through Croatia's strategic planning, monitoring and evaluation system (Official Gazette of Croatia No 44/2023, 2023^[38]). For example, RDAs and local governments are mandated to provide a formal response to the recommendations set out in ex-ante evaluations and provide an assessment of the degree to which they are able to implement these recommendations (Official Gazette of Croatia No 44/2023, 2023^[39]). This is, therefore, an important instrument to ensure the use of evaluations and their impact on strategic planning.

Interviews with local stakeholders, however, also indicate that while subnational actors (e.g. RDAs) seek to comply with the formally established reporting guidelines and periods, the impact of the monitoring and evaluation reports produced is limited. For example, some stakeholders highlighted the difficulty in using evaluation results, as they are often finalised after the development of the next cycle of plans (OECD, 2023^[8]). As a consequence, the evaluation reports mainly serve as an accountability tool rather than as one that can inform and improve the design of the next generation of strategic planning documents.

In a similar vein, the monitoring reports prepared by the RDAs and LDAs are primarily seen as accountability tools. While the system in place for preparing monitoring reports are well-defined, the monitoring information itself offers limited value to counties and local governments. This limitation arises because the methodology primarily focuses on reporting the monitoring information upwards. In fact, monitoring reports prepared by RDAs and submitted to the MRDEUF are rarely discussed by both actors (OECD, 2023^[8]). This suggests that reporting is typically viewed as a procedural requirement rather than a substantive exercise that can help to improve the implementation of county and local development plans, including their contribution to the NDS.

For monitoring and evaluation evidence to serve as a management tool (i.e. for operational purposes), it must be embedded in a performance dialogue that is conducted regularly and frequently. This approach enables practitioners and decision makers to identify implementation issues in a timely manner, determine resource constraints, and adapt their efforts and resources in order to resolve such issues. Such an exercise should be closely tied to the implementation of plans. In the case of Croatia, a performance dialogue should be conducted within the county, city or municipal government, ideally between the highest level of the executive (e.g. the prefect or mayor) and the team involved in strategic planning. Moreover, such performance dialogues should take place at regular intervals (e.g. quarterly). The results of the performance dialogues could also be presented and discussed in the partnership council meetings.

To ensure that the monitoring and evaluating activities implemented at the county and local levels help policy makers to adjust and improve programming, several additional actions can be taken. For example, the MRDEUF could develop guidelines to suggest how performance dialogues should be organised and which actors should participate at the relevant levels (e.g. prefects, heads of county departments and the RDAs at the county level, and the MRDEUF). Moreover, the MRDEUF may wish to organise annual meetings with the RDAs to exchange on the implementation progress and challenges they have identified at the county and local government levels. Such performance dialogues could enable the MRDEUF to identify measures to address implementation challenges identified by the RDAs. As inviting 21 RDAs to participate in an annual performance dialogue meeting with the Ministry may limit the depth of the exchange, the MRDEUF could consider organising one meeting per NUTS 2 region. This would enable the Ministry to also determine whether region-specific implementation challenges have arisen.

In addition, Croatia could also reconsider the role of RDAs as the public body in charge of monitoring the implementation of the county development plans. Ideally, monitoring should be conducted by actors that have decision making power over implementation, as they can directly use the monitoring evidence to adjust and improve policy action. Following this logic, the responsibility for monitoring could be shifted

towards other parts of the county administration (e.g. specific county departments). Such a change could have multiple benefits. First, it could enhance the awareness in the county administration of its responsibility for supporting the implementation of the county development plan. Second, it could help build ownership of the county development plans and their results at the county leadership level. Third, it could improve the impact of the monitoring evidence on policy outcomes, as county leadership could directly incorporate the monitoring results to adjust programming. For example, monitoring results could prompt the county leadership to modify the allocation of county resources aimed at regional and local development projects.

Communication of monitoring and evaluation results can be improved through the creation of a web searchable platform

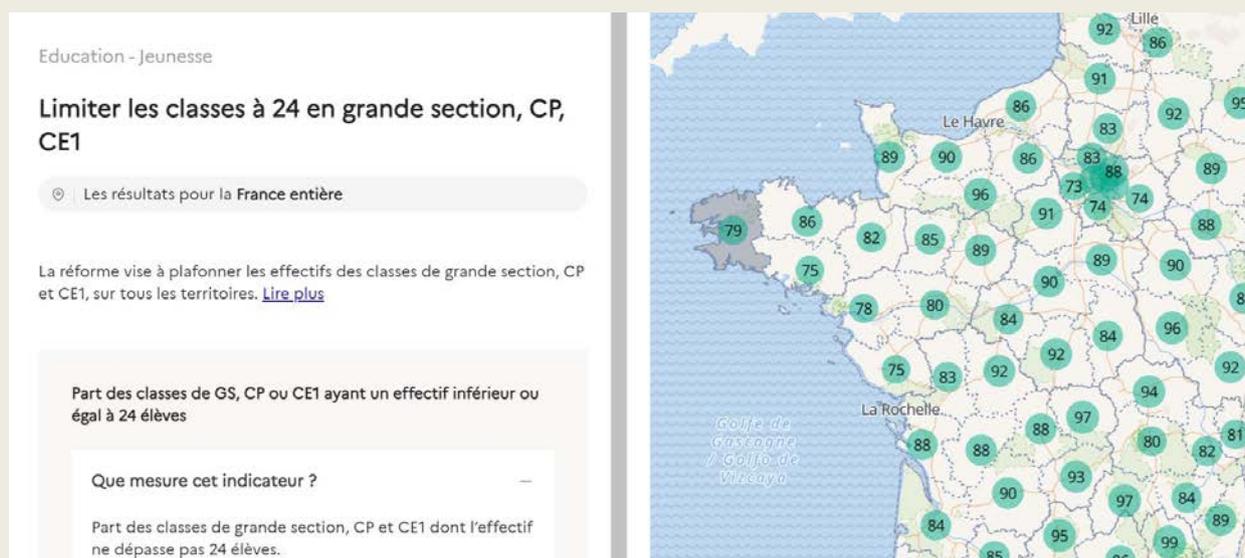
Greater public awareness of monitoring and evaluation results can increase the pressure on decision-makers to support implementation and create the conditions for a more systematic follow-up of evaluation recommendations, while providing accountability to citizens concerning the impact of public policies and the use of public funds. Currently, RDAs are mandated to share monitoring and evaluation reports on county websites (Official Gazette of Croatia No 44/2023, 2023^[38]; Official Gazette of Croatia No 44/2023, 2023^[39]). However, not only are monitoring and evaluation reports difficult to find on such websites, they are also not presented in a format that is easy to read or understand. Several opportunities therefore exist to increase the visibility of monitoring and evaluation results.

First, the evaluations could benefit from having an executive summary, drafted in easy-to-understand language. This could make the evaluation findings more accessible for decision makers and non-government officials alike. Second, the MRDEUF should consider creating a dedicated online portal where relevant information on regional development, including monitoring and evaluation reports, could be published. The platform, which could be used to publish links to relevant laws, ordinances, and other material related to regional development, could also include interactive dashboards and maps. These represent interesting tools to engage with a larger public and increase their awareness of Croatia's regional development policy, its results and how it can benefit citizens. In this regard, Croatia could build on experiences from national and subnational governments across OECD Member countries. For example, in France, the Barometer on Public Action enables citizens to gain a quick view of their department's results on a set of key performance indicators (Box 4.12).

Box 4.12. Making performance information visually friendly: France

The French Barometer on Public Action (*Baromètre des Résultats de l'Action Publique*) is a good example of effectively communicating performance results. The Barometer was developed in 2021 by the Ministry of Transformation and the Civil Service, with the support of the Inter-ministerial Directorate for Public Transformation and the Government Information Service. The Barometer keeps track of the progress of priority projects at the national, regional and departmental levels through interactive maps and advanced filters. For example, Figure 4.7 shows the share of classrooms in different regions that contain fewer than 24 students, which is a target set by the government.

Figure 4.7. France performance information communication



Source: Author's elaboration, based on (French Ministry of Transformation and the Civil Service, n.d.[50]).

Other examples come from Scotland and Mexico. For example, Scotland set up the National Performance Framework to communicate the country's high-level development goals (Government of Scotland, n.d.[51]). The National Performance Framework was created in 2007 to communicate the country's high-level development goals. The Framework and its online portal were designed to help citizens and other stakeholders track Scotland's progress across 11 priority dimensions (e.g. economy, poverty, health, education). Each dimension is associated with a vision statement, linked to the Sustainable Development Goals (SDGs), as well as 80+ indicators that citizens can consult to see progress over time (Government of Scotland, n.d.[51]).

Several elements contribute to the success of the National Performance Framework and its online platform as tools to communicate Scotland's progress towards development targets. For example, the framework enjoys high-level support from all political parties. This has been facilitated by the fact that it does not present the policy objectives of a single party or administration, but rather a set of long-term goals. Furthermore, the front-end of the portal is very simple, which means that users do not require advanced technical skills or knowledge of programming languages to use the platform. However, the portal also includes features for those users who have an interest in conducting more complex data analysis.

Another good practice includes the platform of the 2030 Strategic Plan of the Government of the State of Nuevo León, Mexico, which presents information on its long-term objectives, as well as the State's progress in meeting the goals of the plan. An interesting element of this platform is that two goals were defined per indicator, one optimistic and one conservative (OECD, 2021^[52]; Nuevo León Council, 2021^[53]).

Generating a similar publicly accessible performance monitoring platform may help Croatia's national government, as well as subnational authorities, communicate both internally and externally their progress towards reaching territorial development objectives. At the same time, it could enrich the public debate on the effectiveness of regional development policy, and how such policy affects, for example, local economic development, job creation and citizen well-being. However, keeping such platforms up to date over time requires continued effort on the part of the involved government institutions and may imply substantial investment in terms of staff time and technical infrastructure.

Conclusion

Over the past five years, Croatia has made important steps in putting into practice the legislative and regulatory framework for regional development described in chapter 2. For example, it adopted the NDS, which includes balanced regional development as one of the country's core strategic objectives. Moreover, county, city and municipal governments enacted new development plans and implementation programmes that are aligned with the NDS. The national government has also provided comprehensive regulations and guidelines related to the design of strategic planning acts, as well as their monitoring and evaluation. Furthermore, building on support material provided by the MRDEUF, extensive consultation with different governmental and non-governmental stakeholders has become a regular feature of strategic planning at all levels of government. Similarly, monitoring and evaluation processes have been clearly defined and embedded across the strategic planning system.

Despite these strengths, a number of challenges need to be addressed to ensure progress in meeting Croatia's regional development objectives. For example, Croatia should ensure that balanced regional development is adequately embedded as a cross-governmental priority across national-level public institutions. This can help foster a more unified approach to regional development, ensuring that different ministries and other national-level bodies understand how their actions impact regional and local development and how they can allocate resources more effectively to support these initiatives.

Furthermore, Croatia should address the planning gap between the high-level NDS and county and local development plans, for example by adopting a national-level regional development strategy, as prescribed in law. Such a planning document could provide national and subnational level policy makers with further guidance on Croatia's strategic priorities for regional development and how they could contribute to them. Moreover, there may be a need to expand the functional and financial incentives for county and local governments to support the implementation of their development plans. This should be coupled with efforts to ensure baseline capacities for strategic planning (including design, implementation, monitoring and evaluation) exist at the county, city and municipal levels.

The lack of territorially-disaggregated data and limited awareness of existing datasets by subnational governments are additional factors that hinder strategic planning at the subnational level. This has a marked impact on the monitoring and evaluation of county and local development plans. Challenges associated with local data are compounded by the limited quality and relevance of some of the indicators used to measure county and local development. Finally, the absence of performance dialogue mechanisms—for example between the MRDEUF and RDAs—risks monitoring serving mainly for upward accountability, rather than as a tool to inform and improve policy implementation.

The analysis presented in this chapter sets the stage for chapter 4's assessment of how Croatia's regional development policy has been funded and financed over the past decade. Building on the assessment of the strengths and capacity challenges faced by subnational governments in terms of policy implementation, the next chapter will, among other elements, explore how the funding for RDAs and concrete regional and local development initiatives can be put on a more solid footing.

References

- Association of Dutch Municipalities (2021), *Agenda Special General Assembly VNG [AGENDA Buitengewone Algemene Ledenvergadering VNG]*, <https://vng.nl/sites/default/files/2021-01/complete-vergaderset-alv-12-februari-2021.pdf> (accessed on 27 February 2024). [45]
- BetterEvaluation (2024), *About BetterEvaluation*, <https://www.betterevaluation.org/about>. [43]
- Bjelovar-Bilogora County (2022), *Plan Razvoja Bjelovarsko-Bilogorske Zupanije [Bjelovar-Bilogora County Development Plan 2022-2027]*, <https://jurabbz.hr/plan-razvoja-bjelovarsko-bilogorske-zupanije/> (accessed on 9 November 2023). [15]
- CBS Netherlands (n.d.), *Available subscriptions*, <https://www.cbs.nl/en-gb/subscriptions> (accessed on 17 November 2023). [46]
- Colombian National Planning Department (2021), *Portal Territorial de Colombia [Territorial Portal of Colombia]*, <https://portalterritorial.dnp.gov.co/> (accessed on 21 August 2021). [34]
- Croatian Ministry of Justice and Public Administration (n.d.), *Optimisation of the local and regional self-government system*, <https://mpu.gov.hr/highlights/projects/eu-projects/optimisation-of-the-local-and-regional-self-government-system/25413> (accessed on 23 August 2023). [26]
- Federation of Canadian Municipalities (2022), *Statistics Canada and the Federation of Canadian Municipalities: a collaboration to improve local level data*, <https://fcm.ca/en/news-media/news-release/statistics-canada-and-the-federation-canadian-municipalities-collaboration> (accessed on 28 February 2024). [44]
- French Ministry of Transformation and the Civil Service (n.d.), *Le baromètre des résultats de l'action publique [The barometer of public action results]*, <https://www.modernisation.gouv.fr/transformer-laction-publique/le-barometre-des-resultats-de-laction-publique>. [50]
- Government of Croatia (2021), *Nacionalni plan oporavka i otpornosti 2021. - 2026 [National Recovery and Resilience Plan 2021-2026]*, <https://planoporavka.gov.hr/UserDocsImages/dokumenti/Plan%20oporavka%20i%20otpornosti%2C%20srpanj%202021..pdf?vel=13435491> (accessed on 21 September 2023). [30]
- Government of Mexico (2023), *Ley de Planeación [Planning Law]*, <https://www.diputados.gob.mx/LeyesBiblio/pdf/LPlan.pdf> (accessed on 1 December 2023). [11]
- Government of Scotland (n.d.), *National Performance Framework | National Performance Framework*, <https://nationalperformance.gov.scot/>. [51]
- HM Treasury (2022), *The Green Book, Central Government Guidance on Appraisal and Evaluation*. [40]

- ICMA (2022), *Strategic Planning in Small Communities. A Manager's Manual*, [33]
https://icma.org/sites/default/files/2022-09/Strategic%20Planning%20in%20Small%20Communities%20Final_1.pdf (accessed on 23 June 2023).
- Interreg Europe (n.d.), *Next call for projects*, <https://www.interregeurope.eu/next-call-for-projects> [23]
 (accessed on 19 November 2023).
- Italy's Territorial Cohesion Agency (2020), *The National Internal Areas Strategy moves from the experimental phase to a true structural policy*, [27]
https://www.agenziacoessione.gov.it/news_istituzionali/aree-interne/ (accessed on 19 November 2023).
- Koprivnica-Križevci County (2021), *Plan Razvoja Koprivničko-Križevačke Županije za Razdoblje 2021. Do 2027. Godine [Koprivnica-Križevci County Development Plan 2021-2027]*, [16]
<https://www.kckzz.hr/hr/dokumenti-kckzz/1459-plan-razvoja-koprivnicko-krizevacke-zupanije-za-razdoblje-od-2021-2027-godine/file> (accessed on 9 November 2023).
- Local Government Association (n.d.), *Considerations for effective strategic planning*, [19]
<https://www.local.gov.uk/pas/plan-making/strategic-plans/considerations-effective-strategic-planning> (accessed on 25 January 2024).
- Ministry of Finance and Public Credit of Mexico (2018), *Enfoques transversales [Cross-cutting approaches]*, [12]
https://www.transparenciapresupuestaria.gob.mx/es/PTP/Enfoques_transversales (accessed on 3 December 2023).
- MRDEUF (2024), *Written comments received from the Government of Croatia in March 2024*. [6]
- MRDEUF (2023), *Upisnik regionalnih koordinatora i lokalnih razvojnih agencija [Register of Regional Co-ordinators and Local Development Agencies, November 2023]*, [24]
<https://razvoj.gov.hr/upisnik-regionalnih-koordinatora-i-lokalnih-razvojnih-agencija/4007> (accessed on 25 January 2024).
- MRDEUF (2021), *Upute za Izradu nacionalnih planova [Instructions for Making a National Plan]*, [4]
<https://razvoj.gov.hr/UserDocImages/Istaknute%20teme/Sustav%20strate%C5%A1kog%20planiranja%20i%20upravljanja%20razvojem%20Republike%20Hrvatske/Upute%20za%20izradu%20Nacionalnog%20plana%20i%20pripadajuceg%20akcijskog%20plana.pdf> (accessed on March 2023).
- MRDEUF (2017), *Indeks razvijenosti [Index of Development]*, <https://razvoj.gov.hr/o-ministarstvu/regionalni-razvoj/indeks-razvijenosti/112> [57]
 (accessed on 25 January 2024).
- MRDEUF (2017), *Strategija Regionalnog Razvoja Republike Hrvatske za Razdoblje do Kraja 2020. Godin [Regional Development Strategy of the Republic of Croatia for the Period until the end of 2020]*, [9]
https://razvoj.gov.hr/UserDocImages/O%20ministarstvu/Regionalni%20razvoj/razvojne%20strategije/Strategija%20regionalnog%20razvoja%20Republike%20Hrvatske%20za%20razdoblje%20do%20kraja%202020_HS.pdf (accessed on 17 November 2023).

- MRDEUF (n.d.), *Upute za dopunu biblioteke pokazatelja [Instructions for supplementing the Library of Indicators]*, [48]
<https://razvoj.gov.hr/UserDocsImages/Istaknute%20teme/Sustav%20strate%C5%A1kog%20planiranja%20i%20upravljanja%20razvojem%20Republike%20Hrvatske/Ispravci%202022//UPUTE%20za%20dopunu%20Biblioteke%20pokazatelja%20v%201.0.pdf>.
- MRDEUF (n.d.), *Upute za izradu planova razvoja jedinica područne (regionalne) samouprave [Instructions for Creating Development Plans (Regional Unit of Self-Government)]*, [13]
[https://razvoj.gov.hr/UserDocsImages/Istaknute%20teme/Sustav%20strate%C5%A1kog%20planiranja%20i%20upravljanja%20razvojem%20Republike%20Hrvatske/Ispravci%202022/3/Upute%20za%20izradu%20planova%20razvoja%20jedinica%20podru%C4%8Dne%20\(regionalne\)%20samouprav](https://razvoj.gov.hr/UserDocsImages/Istaknute%20teme/Sustav%20strate%C5%A1kog%20planiranja%20i%20upravljanja%20razvojem%20Republike%20Hrvatske/Ispravci%202022/3/Upute%20za%20izradu%20planova%20razvoja%20jedinica%20podru%C4%8Dne%20(regionalne)%20samouprav) (accessed on 10 January 2024).
- New South Wales Government (2023), *Evaluation Toolkit guide*, [42]
<https://www.nsw.gov.au/departments-and-agencies/premiers-department/evaluation-toolkit/evaluation-toolkit-guide>.
- Nuevo León Council (2021), *Plan Estratégico Consejo Nuevo León 2030 [Nuevo León Council Strategic Plan 2023]*, <https://planestrategico.conl.mx/>. [53]
- OECD (2023), *Discussions with participants during the 1st knowledge-sharing forum, which was held as part of the “Enhanced Strategic Planning at Regional and Local Levels in Croatia” project*. [41]
- OECD (2023), *Interviews with local stakeholders conducted as part of the “Enhanced Strategic Planning at the Regional and Local Levels in Croatia” project*. [8]
- OECD (2023), *OECD interviews conducted with local stakeholders as part of the Croatia accession mission (RDPC)*. [25]
- OECD (2022), *OECD Project Questionnaire: Enhanced Strategic Planning at the Regional and Local Levels in Croatia - questionnaire addressed to Croatia’s regional development agencies*. [14]
- OECD (2022), *OECD survey of Croatian RDAs conducted in 2022*. [18]
- OECD (2022), *Recommendation of the Council on Public Policy Evaluation*. [37]
- OECD (2022), *Response to the project questionnaire “Enhanced Strategic Planning at the Regional and Local Levels in Croatia” addressed to Croatia’s regional development agencies*. [55]
- OECD (2022), *Response to the project questionnaire “Enhanced Strategic Planning at the Regional and Local Levels in Croatia” addressed to the Ministry of Regional Development and European Union Funds (MRDEUF)*. [56]
- OECD (2021), *Better Governance, Planning and Services in Local Self-Governments in Poland*, OECD Publishing, Paris, <https://doi.org/10.1787/550c3ff5-en>. [28]
- OECD (ed.) (2021), *Monitoring and Evaluating the Strategic Plan of Nuevo León 2015-2030*, OECD, <https://doi.org/10.1787/22190414>. [52]
- OECD (2021), *Monitoring and Evaluating the Strategic Plan of Nuevo León 2015-2030: Using Evidence to Achieve Sustainable Development*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/8ba79961-en>. [36]

- OECD (2020), *Improving Governance with Policy Evaluation: Lessons From Country Experiences*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/89b1577d-en>. [35]
- OECD (2019), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264313835-en>. [21]
- OECD (2018), "Making Decentralisation Work: A Handbook for Policy-Makers", *OECD Multi-level Governance Studies*, <https://doi.org/10.1787/g2q9faa7-en>. [10]
- OECD (2015), *OECD Skills Outlook 2015: Youth, Skills and Employability*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264234178-en>. [20]
- OECD (2014), *Measuring and managing results in development co-operation. A review of challenges and practices among DAC members and observers*, <https://www.oecd.org/dac/peer-reviews/Measuring-and-managing-results.pdf> (accessed on 12 February 2024). [58]
- OECD (2009), *Governing Regional Development Policy: The Use of Performance Indicators*, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/9789264056299-en>. [49]
- Office of the New York State Comptroller (2003), *Local Government Management Guide. Strategic Planning*, https://www.coldspringny.gov/sites/g/files/vyhlf416/f/uploads/osc-lgmg_strategic_planning.pdf (accessed on 2023 February 23). [32]
- Official Gazette of Croatia No 13/2021 (2021), *Nacionalna razvojna strategija Republike Hrvatske do 2030. godine [National Development Strategy of the Republic of Croatia by 2030]*, https://narodne-novine.nn.hr/clanci/sluzbeni/2021_02_13_230.html. [5]
- Official Gazette of Croatia No 147 et al. (2018), *Zakon o regionalnom razvoju Republike Hrvatske [Law on Regional Development of the Republic of Croatia]*. [7]
- Official Gazette of Croatia No 151/2022 (2017), *Zakon o sustavu strateškog planiranja i upravljanja razvojem Republike Hrvatske [Law on the System of Strategic Planning and Development Management]*, <https://www.zakon.hr/z/975/Zakon-o-sustavu-strate%C5%A1kog-planiranja-i-upravljanja-razvojem-Republike-Hrvatske> (accessed on 2 November 2023). [1]
- Official Gazette of Croatia No 27/2023 (2023), *Uredba o smjernicama za izradu akata strateškog planiranja od nacionalnog značaja i od značaja za jedinice lokalne i područne (regionalne) samouprave [Regulation on guidelines for drafting strategic planning acts...]*, https://narodne-novine.nn.hr/clanci/sluzbeni/2023_03_37_622.html (accessed on 2 November 2023). [2]
- Official Gazette of Croatia No 37/2023 (2023), *Uredba o smjernicama za izradu akata strateškog planiranja od nacionalnog značaja i od značaja za jedinice lokalne i područne (regionalne) samouprave [Decision on guidelines for the preparation of strategic planning acts of national importance...]*, https://narodne-novine.nn.hr/clanci/sluzbeni/2023_03_37_622.html. [54]
- Official Gazette of Croatia No 44/2023 (2023), *Pravilnik o provedbi postupka vrednovanja akata strateškog planiranja od nacionalnog značaja i od značaja za jedinice lokalne i područne (regionalne) samouprave [Ordinance on the implementation of the procedure for evaluation of acts...]*, https://narodne-novine.nn.hr/clanci/sluzbeni/2023_04_44_771.html. [39]

- Official Gazette of Croatia No 44/2023 (2023), *Pravilnik o rokovima i postupcima praćenja i izvješćivanja o provedbi akata strateškog planiranja od nacionalnog značaja i od značaja za jedinice lokalne i područne (regionalne) samouprave* [Ordinance on deadlines and procedures for monitoring...], https://narodne-novine.nn.hr/clanci/sluzbeni/2023_04_44_772.html. [38]
- Official Gazette of Croatia No. 44/2023 (2023), *Pravilnik o rokovima i postupcima praćenja i izvješćivanja o provedbi akata strateškog planiranja od nacionalnog značaja i od značaja za jedinice lokalne i područne (regionalne) samouprave* [Rulebook on deadlines and procedures...], https://narodne-novine.nn.hr/clanci/sluzbeni/2023_04_44_772.html (accessed on 2 November 2023). [3]
- Osijek-Baranja County (2022), *Plan Razvoja Osječko-Baranjske Zupanije Ra Razdoblje do 2027. godine* [Osijek-Baranja County Development Plan for the Period until 2027], <https://www.obz.hr/index.php/plan-razvoja-osjecko-baranjske-zupanije-do-2027-godine> (accessed on 9 November 2023). [17]
- Primorje-Gorski Kotar RDA (2022), *Plan Razvoja Gorskog Kotara* [Gorskog Kotara Development Plan], <https://prigoda.hr/plan-razvoja-gorskog-kotara/> (accessed on 2 April 2024). [29]
- UNDP Mexico (2023), *Plataforma de Análisis de Datos*. [47]
- Wandsworth County Council (2024), *Performance indicators*, <https://www.wandsworth.gov.uk/the-council/open-data-and-transparency/council-datasets/performance-indicators/> (accessed on 28 February 2024). [22]
- Wargent, M., G. Parker and E. Street (2019), “Public-private entanglements: consultant use by local planning authorities in England”, *European Planning Studies*, Vol. 28/1, pp. 192-210, <https://doi.org/10.1080/09654313.2019.1677565>. [31]

Annex 4.A. Legislation guiding the monitoring and evaluation of regional development in Croatia

Annex Table 4.A.1. Main legal acts establishing monitoring and evaluation of regional and local strategic planning acts

Name of legislation	Articles relevant for monitoring and evaluation	Content
Law on Regional Development of the Republic of Croatia (2014)	8, 13(5), 15(6), 16, 25, 47, 48 and 49	8: Regional development policy should be monitored and evaluated 13(5) and 15(6): the MRDEUF should provide guidelines on monitoring, and evaluation at the county and local levels. 16: Establishment of a central electronic database. 25: Sets the mandate of regional co-ordinators (RDAs). 47: Sets the mandate of the MRDEUF. 48: Planning documents are subject to ex-ante, mid-term and ex-post evaluations. 49: Sets reporting periods.
Law on the System of Strategic Planning and Development Management of the Republic of Croatia 123/17 and 151/2022	15, 33, 45, 47, 48 and 49	33: Mandate of the co-ordination body 45: Regional and local co-ordinators are responsible for monitoring and reporting 47: Publication of reports 48: General rules on evaluation 49: Use of evaluation results for new planning documents
Regulation on Guidelines for the Drafting of Acts of Strategic Planning from National Importance and Importance for Local and Regional Self-government Units (37/2023)	8 and 20	8: Mandatory content of medium-term strategic planning acts 20: Compulsory to select indicators from the Indicator Library to monitor
Ordinance on Deadlines and Procedures for Monitoring and Reporting on the Implementation of Strategic Planning Acts of National Importance and of Importance for Local and Regional Self-government Units (44/2023)	All	General reporting rules
Ordinance on the Implementation of the Procedure for the Evaluation of Strategic Planning Acts of National Significance and of Relevance to Local and Regional Self-government Units (44/2023)	All	General evaluation rules

Source: Author's elaboration, based on (Official Gazette of Croatia No 37/2023, 2023^[54]; Official Gazette of Croatia No 44/2023, 2023^[38]; Official Gazette of Croatia No 44/2023, 2023^[39]; OECD, 2023^[8]; OECD, 2022^[55]; OECD, 2022^[56]).

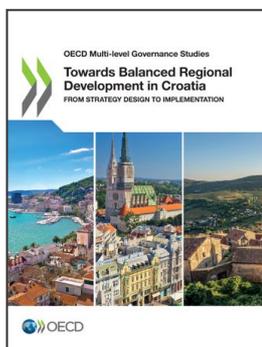
Notes

¹ The Government of Croatia uses the Regional Development Index to identify regional and local governments lagging behind the national average according to their level of development. The index is a composite weighted indicator based on an adjusted average of standardised values of socio-economic indicators (Official Gazette of Croatia No 147 et al., 2018^[7]). In accordance with the regulation, the following indicators are used for the calculation of the Regional Development Index: a) average income per capita, b) average primary income per capita, c) average unemployment rate, d) general movement of the population, e) level of education of the population (tertiary index), and f) ageing index. County, city and municipal governments with an index below average (i.e. below 100%) are considered assisted areas (MRDEUF, 2017^[57]).

² An OECD survey was disseminated among Croatia's 21 RDAs in September 2022. The OECD received responses from all RDAs.

³ City and municipal governments with fewer than 1 000 inhabitants can be awarded co-financing of up to 75%. City and municipal governments with 1 000 inhabitants or more can be awarded co-financing of up to 50% (OECD, 2023^[25]).

⁴ The R.A.C.E.R. acronym stands for: i) relevant (the indicator must measure what is intended to measure and be pertinent to the objectives of the policy, plan or project); ii) accepted (the indicator needs to be accepted and understood by all stakeholders involved in the process); iii) credible (the indicator should be reliable and based on available data, ensuring that it accurately reflects the issue being measured); iv) easy (the indicator should be easy to use, not overly complex, and easy for stakeholders to interpret and apply; and v) robust (the indicator must be methodologically sound, with clear definitions and a consistent data collection process to ensure comparability over time and across different regions or contexts) (OECD, 2014^[58]).



From:
Towards Balanced Regional Development in Croatia
From Strategy Design to Implementation

Access the complete publication at:

<https://doi.org/10.1787/3c0779cf-en>

Please cite this chapter as:

OECD (2024), "Regional Development Planning Instruments and Practices", in *Towards Balanced Regional Development in Croatia: From Strategy Design to Implementation*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/a441bd57-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.