



1. CPS Data	
Country: Croatia	
CPS Year: FY13	CPS Period: FY14 – FY17
CLR Period: FY14-FY17	Date of this review: April 17, 2019

2. Ratings

	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Good</i>	<i>Good</i>

3. Executive Summary

- i. This review of the Croatia's Completion and Learning Review (CLR) of the World Bank Group's (WBG) Country Partnership Strategy (CPS) covers the CPS period, FY14-FY17, and the Performance and Learning Review (PLR) of 2016.
- ii. Croatia is an upper middle-income country with a GNI per capita of \$12,570 in current dollars that joined the European Union (EU) on July 1, 2013. Its economy relies primarily on services, which accounted for 58 percent of GDP in 2017. Annual GDP growth averaged 2.2 percent during the program period (2014-17), recovering from -1.1 percent during 2010-13, albeit remaining low when compared to central and eastern European peers. Growth picked up with a surge in the export-oriented industry, and a revival of trade, hotel, and restaurant services, lifted by robust tourism performance. According to the Systematic Country Diagnostic,¹ poverty increased from 5.9 percent of the population in 2009 to 9.4 percent in 2012, before falling to 7.5 percent in 2014. Croatia ranked 46 of 189 countries in the 2017 Human Development Index (HDI), putting it in the very high human development category. EU accession has played a key role in strengthening institutions, developing a modern legislative framework in line with the EU, and increasing the availability of funds. However, following the 2015 election the momentum for reform was reduced as was the consistency of government policies over the program period.
- iii. The World Bank Group program had three focus areas: (i) promoting fiscal consolidation, (ii) improving competitiveness to spur growth, and (iii) maximizing the benefits of EU membership. These were broadly congruent with the government's 2013 Economic Program, which covered fiscal consolidation with a particular focus on pension reform and rationalizing hospitals; growth and competitiveness through a sustainable development strategy based on the knowledge economy; and absorption of EU funds available to Croatia.
- iv. At the beginning of the CPS period lending commitments were \$766 million consisting of twelve operations in the form of investment projects in the trade, energy, environment, justice, and science and technology sectors. During the CPS period, new lending commitments amounted to

¹ Croatia: Systematic Country Diagnostic (SCD), May 4, 2018. The SCD uses 2005 PPP per day methodology to measure poverty. Using the poverty headcount ratio based on the national poverty line, the poverty headcount fell from 20.6 in 2009 to 19.5 in 2015.

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\$634.5 million, slightly higher than planned at PLR stage (\$611 million). New lending commitments comprised seven operations in the form of six investment projects and a Development Policy Loan, covering macro, trade and investment, environment, health, social protection, railways, and innovation and entrepreneurship. A planned Development Policy Loan was dropped in light of changed priorities of the authorities following the change in administration after the election. During the CPS period, five trust-funded activities (TFs) for a total of \$14.8 million complemented World Bank operations in environment, and fiscal issues, including treasury systems. At the same time, IFC made net commitments of \$151.2 million, and its largest project was a \$60 million investment in a power plant in FY16.

v. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the nine objectives, seven were rated Achieved or Mostly Achieved, and two Not Verified. Under Focus Area I, there was substantial progress in enhancing airport infrastructure, implementing an energy strategy, and introducing cost rationalization and efficiency measures in the health sector. However, progress was limited in improving the sustainability of revenue enhancing policy, and improving the targeting of social assistance programs. Under Focus Area II, there was progress in reducing the backlog of cases in the judicial system, diversifying and making more secure energy supply, increasing exports in beneficiary companies of a World Bank project, and providing loans to MSMEs. Under focus Area III, the Government prepared strategy documents needed for EU funds absorption and prepared project applications in the areas of research and development, and innovation, and in nature protection.

vi. On balance, IEG rates WBG performance as **Good**. The CPS addressed key challenges facing the country, including EU accession, and was congruent with the Government's 2013 Economic Program and aligned with the WBG's twin goals. The initial design of the program was appropriate, but over time the program suffered reform reversals brought by political changes, and program design lost relevance to country priorities during implementation. ASA was broadly aligned with CPS plan, emphasizing complying with EU directives and helping absorb EU funds. Technical assistance covered energy reforms, equity and gender, EU preparedness, fiscal issues including support for a spending review, environment, and waste management. The analytical work undertaken by the World Bank contributed to the 2018 Systematic Country Diagnostic Study (SCD), and addressed fiscal issues as well as issues in the justice system, energy, and smart specialization. Portfolio performance was comparable with the ECA region and the World Bank, but some interventions were affected by changes in government priorities. Projects that closed with unsatisfactory performance, such as the Revenue Administration project (FY07) and the Social Protection System Modernization project (FY15), contained major institution and system reforms that were not embraced by the authorities following the 2016 election. Differences of view could not be addressed effectively through project restructurings.

vii. The Bank Group identified a number of risks to the program coming from the macro area and domestic policy implementation. The main risk that materialized for the program—and which had not been fully identified—was that a new administration might have different priorities affecting important aspects of the program. The mitigation measures that had been envisaged—primarily, an EC monitoring framework strong enough to keep the World Bank program on track—proved too weak to refocus the Government's reform orientation in light of new political realities. There was substantial World Bank-IFC collaboration, with IFC supporting three of the nine CPS objectives. IFC investments complemented World Bank programs and projects in air traffic, energy, and financing of medium and small enterprises. This cooperation was captured appropriately in the results framework. The key development partnership in Croatia involved cooperation with the EC and alignment of the program with the country's EU policies. Such alignment by and large focused the World Bank program on issues relevant for Croatia's EU aspirations. No Inspection Panel case was documented during the review period. Safeguard issues under some projects were addressed satisfactorily as they arose.

viii. The CLR contains several lessons: (i) keep a focus on results but be flexible on the use of instrument; (ii) critical to consider the potential impact of political change; (iii) the World Bank Group



has a role in policy design and process underpinning reforms in the public sector; and (iv) for EU member countries with access to financing, IFC can still play a role in the success of a project.

ix. It is not clear how lesson (i) flows from the CLR. It would be useful were the CLR to be more explicit on how it was derived.

x. Lesson (ii) notes the importance of considering the potential impact of political change. Indeed, in all client countries political changes can derail World Bank programs due to changes in policy priorities. In this context, the World Bank may need to develop alternative scenarios during program preparation to respond with flexibility in the event of program-disruptive political change.

xi. Lesson (iii) as stated is uncontentious, with limited value added as a lesson.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and the Country's Program.** The CPS was congruent with both the country context and the country's own program. The Bank Group program had three broad themes: (i) promoting fiscal consolidation, (ii) improving competitiveness to spur growth, and (iii) maximizing the benefits of EU membership. These addressed key challenges to the country, including fiscal imbalances and weak competitiveness.² In addition to addressing such challenges, the WBG strategy was broadly congruent with the Government's 2013 Economic Program. The theme of fiscal consolidation was linked to the Government's objective to emphasize fiscal consolidation with a particular focus on pension reform and rationalizing hospitals. The theme of improving competitiveness was linked to the Government's objective to promote growth and competitiveness through the "smart specialization strategy"³ and other sector related programs. The third theme—maximizing the benefits of EU membership—related to the Government's objective to absorb efficiently EU funds available to Croatia.

2. **Relevance of Design.** The initial design of the program was appropriate. Development Policy Loans (DPLs) in the health and social protection sectors would combine policy reforms with budget finance. Reforms initiated under the DPLs were to be continued under a Health Program for Results (PforR) and a Social Protection project. The proposed complementarity between World Bank with IFC activities supported competitiveness objectives, with the Bank focusing on the efficiency of the judicial system and IFC supporting export development, access to financing, and infrastructure. Advisory Services and Analytics (ASA) work would facilitate absorption of EU funds. Primarily through Reimbursable Advisory Services (RAS), the World Bank would help develop strategic sector frameworks, sector policy notes, as well as institutional guidelines to prepare a solid pipeline of projects to be financed by EU funds, and strengthen project management capacity. Coordination with key partners (the European Commission, the European Investment Bank, the European Bank for Reconstruction and Development, and the International Monetary Fund) would be critical for Croatia's progress following accession. Nevertheless, the program proved susceptible to reform reversals brought by political changes. A design around DPLs that required continued government support for reform exposed the program to significant reversals.⁴ The change in administration in 2016 brought policy changes that adversely affected key components of the program. Health sector policies were reversed, and the consolidation of social protection programs was abandoned.

² The SCD ranked as the first three priorities: fostering a more competitive environment, boosting justice system performance, and unleashing firm innovative capabilities.

³ The smart specialization strategy refers primarily to sustainable development and transition to a knowledge economy. In the near term, these goals are being pursued by increasing the renewable share of energy consumption along with an increase in energy efficiency as called for by the Europe 2020 strategy, to which Croatia is aligned.

⁴ According to the CLR, experience during the CPS demonstrated the resilience of smaller-sized operations in areas of longstanding World Bank Group engagement, or that are embedded in a government-funded program, such as the EU Natura 2000 Integration Project (FY10).



Selectivity

3. EU accession provided the right framework for selectivity and the rationale to focus on nine objectives within the CPS's focus areas. The program was anchored on the requirements for a new EU member State. In particular, it considered the EU's fiscal and other policy requirements, and addressed capacity building needs of institutions that would receive a major increase in EU funds. Objectives and interventions rested on adequate analytical foundations. The Bank Group had comparative advantage to support Croatia under the three focus areas: structural fiscal reforms, competitiveness, and helping maximize the benefits under EU membership. The latter, in particular, is an area where the World Bank has developed expertise overtime through its engagement with other new EU Member States. The EU framework also provides a degree of confidence on the sustainability of institutional change promoted by the program, as well as its long-term impact.

Alignment

4. There is no explicit reference to the twin goals in the CPS. At the same time, its objectives and interventions contributed directly and indirectly to the twin goals. Under Focus Area I, the program supported measures to improve the targeting of social benefits to the most vulnerable. Under focus area II, the emphasis on competitiveness for growth was expected to create jobs and improve shared prosperity. The appropriate use of EU funds, promoted under focus area III, would help the government focus on lagging regions, and thus on reducing poverty and regional disparities.

5. Development Outcome

Overview of Achievement by Objective:

Focus Area I: Fiscal Adjustment Through Reforms at the Sector Level

5. Focus Area I had four objectives: (i) improve (reduce) the tax gap as a percentage of GDP, (ii) improve the targeting of social assistance programs, (iii) introduce cost rationalization and efficiency measures in the health sector, and (iv) contribute to the coherence and implementation of strategic plans in railway and improvements in airport infrastructure.

Objective 1: Improve sustainability of revenue enhancing policy

6. This objective was supported through the Revenue Administration Modernization project (FY09). It had one indicator.

- Improve the tax gap as a percentage of GDP: Baseline: 0.8 (2011); Target: 0.9 (2013). The link between a measure of the "tax gap" and the objective of policy "sustainability" is unclear. Moreover, baseline and target dates for the indicator are prior to the CPS period and therefore do not provide information on the impact of the CPS. This indicator was reformulated at the Performance and Learning Review (PLR) stage, but it was not possible to measure under the methodology used. The CLR used an alternative indicator from the Intra-European Organization of Tax Administrations (IOTA) which shows that the value-added tax (VAT) gap for Croatia was reduced from 3 percent in 2014 to 1 percent in 2016. However, the results indicator measured the tax gap in total taxes. Therefore, the inconsistency in the data presented does not allow to verify this indicator. IEG rates Objective 1 as **Not Verified**.

Objective 2: Improve the targeting of social assistance programs

7. This objective was supported through the Social Protection System Modernization project (FY15), a Public Finance Review (FY15), and technical assistance on Support for the Spending Review (FY15) The objective had one indicator:

- Increase means-tested programs as a share of all social assistance programs (from 16 percent in 2012 to 20 percent in 2017): According to the CLR, the share of means-tested social programs increased from 16.1 percent in 2012 to 17.1 percent in 2016. The



World Bank calculations were based on data provided by the Croatian government. IEG did not have access to the data to verify achievement of this indicator. *Not Verified*

8. IEG rates Objective 2 as **Not Verified**.

Objective 3: Introduce cost rationalization and efficiency measures in the health sector

9. This objective, with two indicators, was supported through the Economic Recovery DPL (FY14) and the Improving Quality and Efficiency of Health Services PforR (FY14), a Public Finance Review (FY15), and technical assistance on Support for the Spending Review (FY15). This objective had two indicators:

- **Total public accrual health spending reduced by 0.5 percentage points of GDP between 2012 and 2017:** The baseline for health spending was 7.6 percent of GDP in 2012. The CLR reports a drop of 1 percentage point of GDP through 2016. Data from Eurostat reports that health expenditure represented 6.5 percent of GDP in 2016 down from 7.2 percent of GDP in 2012. The target for this indicator was achieved ahead of schedule (in 2016), and the November 2018 supervision report of the Improving Quality and Efficiency of Health Services PforR project (FY14) indicates continued progress in the reduction of health spending and reform of the health system. *Achieved*
- **Further rationalization and reorganization of the hospital system measured by the number of acute care beds.**⁵ The number of hospital beds in rationalized hospitals classified as acute care beds reached 12,161 as of March 2017, compared with a target of 12,800 (Baseline was 15,930 in 2012). *Mostly Achieved*

10. Although the two indicators capture significant aspects of rationalization and efficiency in the health sector, there are other aspects where there was little progress or some reversals. The Implementation Status and Results Report of the Quality and Efficiency of Health Services PforR (FY14) from October 2017 noted delays with the implementation of some key reforms, such as implementing hospital reshaping schemes, reducing hospital arrears, implementing hospital accreditation, and joint/centralized procurement of drugs, medical supplies and devices. On balance, IEG rates Objective 3 as **Mostly Achieved**.

Objective 4: Contribute to the coherence and implementation of strategic plans in railway and energy sectors and improvements in airport infrastructure

11. This objective was supported through the Sustainable Croatian Railways in Europe project (FY15), the Modernization and Restructuring of the Road Sector project (FY17), the Croatia Energy Reforms Non-Lending Technical Assistance (FY14), the Energy Affordability Study (FY15), the EU 11 Programmatic Energy Affordability (FY15), and IFC support. In addition, there was a Public Finance Review (FY15) and technical assistance on Support for the Spending review (FY15), and Policy Notes (FY16). This objective had three indicators:

- **Implement restructuring plans for railway sector companies and a medium-term strategy for the rail sector consistent with the EU 2014-20 funding period.**⁶ Preparation of the railway strategy was delayed, and implementation of railway restructuring has been slow. *Partially Achieved*
- **Implementation of Croatia Energy Strategy 2009-20 related to renewable energy and district heating:** The target for this process-oriented indicator was met. *Achieved*

⁵ Health costs are considered unsustainable, and a reduction in acute care beds in hospitals is seen as an essential part of rationalization of the health care system.

⁶ Baseline: Revised restructuring plans of railway companies. Target: Railway Modal Strategy 2014-20 and medium-term contracts in place for Passenger Services and Infrastructure Management consistent with the strategy.



- **Accommodate existing and future air traffic:**⁷ IFC financing for Zagreb airport expansion and modernization project supported this indicator. The CLR—based on data from the National Airport Authority—reports that the number of passengers reached 3.1 million, implying 0.59 million unique⁸ users in 2017, against a target of 0.60 million unique users. Based on data for the first two months of 2018 the authorities expected 0.66 million users in 2018. *Achieved*

12. In both the railway and energy sectors, the Bank Group supported useful upstream policy work and used process indicators to measure progress. IEG rates Objective 4 as **Mostly Achieved**.

13. On balance, IEG rates Focus Area I as **Moderately Unsatisfactory**. Assessment of progress toward objectives was made more challenging by several shortcomings in the results framework. Of the four objectives, two were rated Mostly Achieved, and two Not Verified. There was substantial progress in enhancing airport infrastructure, implementing an energy strategy, and introducing cost rationalization and efficiency measures in the health sector. However, there was limited progress in improving the sustainability of revenue enhancing policy and improving the targeting of social assistance programs.

Focus Area II: Innovate and Improve Trade Competitiveness for Growth and Shared Prosperity.

14. Focus Area II had three objectives: (i) improve efficiency and reduce arrears in the judicial system, (ii) contribute to diversify energy supply and its diversity by financing energy efficient and renewable energy projects, and (iii) support competitive local companies to expand in the region and increase exports.

Objective 5: Improve efficiency and reduce arrears⁹ in the judicial system

15. Slowness in the judicial process—for example key business transactions related to the cadaster and land registry—is considered a key impediment to doing business in Croatia. This objective, with one indicator, was supported through the Justice Sector Support project (FY10).

- **Case backlog in judiciary decreased:** IEG's Implementation Completion Report Review of the Justice Sector Support project (FY10) reports that court case backlogs were reduced from 437,892 to 349,051 as of April 2016, against a target of 394,103 in 2017. *Achieved*

16. Efficiency is measured through the reduction in case backlog, which makes redundant its inclusion in the objective. IEG rates Objective 5 as **Achieved**.

Objective 6: Contribute to the diversity and security of energy supply by financing energy efficiency and renewable energy projects

17. Achieving energy security and reducing greenhouse emissions are key priorities of the Government's energy strategy. This objective was supported through three IFC wind power plants (WPP) projects: the Sibenik project (FY12), the Jelinak project (FY13), and the Rudine project (FY15). This objective had two indicators:

- **Install additional renewable energy generation capacity (108 MW by 2017):** The Sibenik project added capacity of 43.7 MW, the Jelinak added 30 MW, and the Rudine an additional 34.2 MW. In all, IFC WPP projects added capacity for 107.9 MW as confirmed by the Croatian Operator of the Energy Market (HROTE) and IFC documentation. *Achieved*

⁷ Baseline: 0.44 million unique users in 2013. Target: 0.60 million unique users in 2017.

⁸ This means different users, as one user can be a passenger several times.

⁹ Refers to judicial case arrears or case backlog, as clarified by the Croatia team.



- **GHG emissions avoided per year (75,000 tCO2 equivalent by 2017):** Information from The IFC projects (Sibenik, Jelinak, Rudine) reduced GHG emissions by 100,000 tCO2. *Achieved*

18. The second indicator refers more to environmental concerns than to the diversity and security of energy supply. IEG rates Objective 6 as **Achieved**.

Objective 7: Support competitive local companies to expand in the region and increase exports

19. This objective, with two indicators, was supported through the Export Finance Intermediation Loan (FY10); an IFC investment in a local bank also supported this objective.

- **Level of exports of beneficiary companies (at least preserve the level of exports by 2017):** Beneficiary firms increased exports by 18 percent, above the target of at least preserving the level of exports in 2011. *Achieved*
- **Number of outstanding MSME loans in the portfolio of IFC client bank (at least preserve the baseline of 6,000 in 2011 by 2016):** In 2016, IFC reached 5,125 MSME loans through its client bank. *Mostly Achieved*.

20. Exports of beneficiary firms expanded significantly although it should be noted that the target (i.e., at least preserve the level of exports in 2011) is unambitious relative to an objective of increasing exports. IEG rates Objective 7 as **Mostly Achieved**,

21. On balance, IEG rates Focus Area II as **Satisfactory**. Of the three objectives, two were rated Achieved, and one Mostly Achieved. There was progress in improving efficiency in the judicial system, diversifying and making more secure energy supply, increasing exports in beneficiary companies of a World Bank project, and providing loans to MSMEs.

Focus Area III: Help Maximize the Economic Benefits of Becoming an EU Member State

22. Focus Area III had two objectives: (i) improve the coherence and credibility of national strategic and policy documents needed for EU funds absorption and management, and (iii) contribute to Croatia's readiness and capacity to build the project pipeline for absorbing EU funds in selected sectors.

Objective 8: Improve the coherence and credibility of national strategic and policy documents needed for EU funds absorption and management

23. This objective, with one indicator, was supported through the Second Science and Technology project (FY13), Coastal Cities Pollution Control 2 project (FY09), the Smart Specialization Economic and Sector Work (FY15), the EU Preparedness Technical Assistance (FY15), and the National Reform Program technical assistance (FY14).

- **Adopt national strategic and policy documents, including sector specific strategies, needed for the use of EU funds:** The World Bank helped develop sector strategies through the Second Science and Technology project (FY13), the Coastal Cities Pollution Control 2 project (FY09), economic sector work, and technical assistance. Such strategies, which were adopted, covered the areas of National Education, Science, and Technology, Innovation, Smart Specialization, National Research Infrastructure, public administration, irrigation, rural development, transport, SME, and water/environment sector, and Management of Wastewater Treatment Sludge. Under the National Reform Program technical assistance (FY4), the World Bank assisted the authorities on strengthening policy coordination and assessment. *Achieved*

24. While the World Bank produced a lot of work and advice as noted under the indicator, the link is weak between the indicator, mostly related to the provision of advice or production of documents, and the objective of improving the coherence and credibility of national strategic and policy documents. Moreover, it does not have baseline or target dates, making an assessment of impact



difficult. The CLR did not provide significant evidence of improved coherence and credibility in the various areas of World Bank advice. On balance, IEG rates Objective 8 as **Mostly Achieved**.

Objective 9: Contribute to Croatia’s readiness and capacity to build the project pipeline for absorbing EU funds in selected sectors

25. This objective, with one indicator, was supported through the Second Science and Technology project (FY13), the EU Natura 2000 Integration project (FY11), the Coastal Cities Pollution Control 2 project (FY09), and the Rijeka Gateway 2 project (FY09).

- **Number and value of projects applications prepared and/or submitted for financing from EU funds in research and innovation and nature protection (at least 6 projects applications for EUR 50 million for research and development, and 25 project applications for EUR 50 million in nature protection)**: The CLR reports that 6 project applications in research and development, and innovation are on course for and estimated value of EUR 168 million, thereby meeting the target of 6 projects valued at EUR 50 million or more. IEG could verify the status of only one of these projects—valued at EUR 72 million—from the latest supervision report of the Second Science and Technology Project (FY13). In addition, the CLR reports that in nature protection, 32 project proposals were made, exceeding the target of 25. As a result, Croatia was granted EUR 213 million from the EU Structural Fund for the period 2014-2020. *Mostly Achieved*

26. As in objective 8, the CLR presents little evidence on how project preparation for EU financing improved government readiness and capacity to build a project pipeline in a sustainable way, which is a key aspect of the objective. IEG rates Objective 9 as **Mostly Achieved**.

27. On balance, IEG rates Focus Area III as **Moderately Satisfactory**. The Government prepared several strategy documents needed for EU funds absorption, as well as project applications in the areas of research and development and innovation, and in nature protection. The project applications resulted in Croatia obtaining substantial funding, including from the EU Structural Fund. Nevertheless, there is weak evidence that these improved coherence and credibility of strategies or raised readiness and capacity to build the project pipeline for EU financing.

Overall Assessment and Rating

28. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the nine objectives, seven were rated Achieved or Mostly Achieved, and two Not Verified. Under Focus Area I, there was substantial progress in enhancing airport infrastructure, implementing an energy strategy, and introducing cost rationalization and efficiency measures in the health sector. However, progress was limited in improving the sustainability of revenue enhancing policy, and improving the targeting of social assistance programs. Under Focus Area II, there was progress in reducing the backlog of cases in the judicial system, diversifying and making more secure energy supply, increasing exports in beneficiary companies of a World Bank project, and providing loans to MSMEs. Under focus Area III, the Government prepared strategy documents needed for EU funds absorption and prepared project applications in the areas of research and development, and innovation, and in nature protection.

Objectives	CLR Rating	IEG Rating
Focus Area I: Fiscal Adjustment Through Reforms at the Sector Level	<i>Moderately Satisfactory</i>	Moderately Unsatisfactory
<i>Objective 1: Improve sustainability of revenue enhancing policy</i>	<i>Mostly Achieved</i>	<i>Not Verified</i>
<i>Objective 2: Improve the targeting of social assistance programs</i>	<i>Not Achieved</i>	<i>Not Verified</i>
<i>Objective 3: Introduce cost rationalization and efficiency measures in the health sector</i>	<i>Achieved</i>	<i>Mostly Achieved</i>



<i>Objective 4:</i> Contribute to the coherence and implementation of strategic plans in railway and improvements in airport infrastructure	<i>Achieved</i>	<i>Mostly Achieved</i>
Focus Area II: Innovate and Improve Trade Competitiveness for Growth and Shared Prosperity.	<i>Moderately Satisfactory</i>	Satisfactory
<i>Objective 5:</i> Improve efficiency and reduce arrears in the judicial system	<i>Achieved</i>	<i>Achieved</i>
<i>Objective 6:</i> Contribute to the diversity and security of energy supply by financing energy efficiency and renewable energy projects	<i>Achieved</i>	<i>Achieved</i>
<i>Objective 7:</i> Support competitive local companies to expand in the region and increase exports	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
Focus Area III: Help Maximize the Economic Benefits of Becoming an EU Member State	<i>Satisfactory</i>	Moderately Satisfactory
<i>Objective 8:</i> Improve the coherence and credibility of national strategic and policy documents needed for EU funds absorption and management	<i>Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 9:</i> Contribute to Croatia's readiness and capacity to build the project pipeline for absorbing EU funds in selected sectors	<i>Achieved</i>	<i>Mostly Achieved</i>

6. WBG Performance

Lending and Investments

29. At the beginning of the CPS period lending commitments were \$766 million consisting of twelve operations in the form of investment projects in the trade, fiscal, environment, justice, and science and technology sectors. During the CPS period, new lending commitments amounted to \$634.5 million, slightly higher than planned at PLR stage (\$611 million). New lending commitments comprised seven operations in the form of six investment projects and a Development Policy Loan, covering macro, trade and investment, environment, health, social protection, railways, and innovation and entrepreneurship. Accordingly, the new program afforded more attention to macro, health, and social protection issues. Nevertheless, a planned DPL on social protection was dropped in light of changed priorities following the 2015 election. During the CPS period, five trust-funded activities (TFs) for a total of \$14.8 million complemented World Bank operations in environment, fiscal issues, including treasury systems.

30. During the CPS period, Croatia's portfolio performance at exit was in line with the Europe and Central Asia (ECA) regions and World Bank-wide averages.¹⁰ The average risk to development outcome by commitment volume with moderate or low risk was 50 percent, lower than the ECA average (60 percent) and in line with the World Bank (51 percent) average. However, in terms of percent of projects, Croatia (75 percent) had a significantly higher share of moderate and low risk projects than both ECA (50 percent) and the World Bank (42 percent).

31. During the CPS period from FY14 to FY17, IFC made net commitments of \$151.2 million, which were concentrated in FY14. The largest project was IFC's \$60 million investment in a power plant during FY16. A client bank for an IFC loan canceled the engagement with IFC and proceeded with prepayment ahead of time due to a change in market conditions and decrease in demand for financing by local firms. During the review period, IEG did not validate any Expanded Project

¹⁰ In terms of number of projects, IEG rated seven out of nine closed projects (78 percent) as Moderately Satisfactory or better, compared to the Europe and Central Asia (ECA) region (80 percent) and World Bank-wide (74 percent). In terms of volume of lending both ECA (94 percent) and the World Bank as a whole (85 percent) did better than Croatia (77 percent).



Supervision Reports (XPSRs) of IFC investment projects. MIGA did not write any new guarantee during the CPS period.

Analytic and Advisory Activities and Services

32. During the CPS period, the World Bank delivered a total of 23 Advisory Services and Analytics (ASA) products: seven Economic and Sector Work (ESW) products and sixteen Technical Assistance (TA) pieces. Technical assistance covered a wide range of topics, including energy reforms, equity and gender, EU preparedness, fiscal issues including support for a spending review, environment, and waste management. The CLR did not systematically analyze the relevance of this work for program objectives, although several of them were on topics related to the objectives. The analytical work undertaken by the World Bank helped inform the Systematic Country Diagnostic Study (SCD) in 2018, and also addressed issues in the justice system, energy, and smart specialization. ASA was broadly aligned with CPS plan, emphasizing issues aimed at complying with EU directives and helping absorb EU funds. Analytical and technical assistance work complemented well lending interventions. For example, the Public Finance Review complemented well lending interventions in the health and social protection sectors under Focus Area I. The program envisaged that ASA would increasingly be financed on a reimbursable basis. This shift did not materialize as anticipated, and the CLR notes that the reason for this outcome was both slow availability of EU funds and the limited understanding by counterparts.

33. During the review period, IFC did not approve any new advisory service project and IEG did not validate any Project Completion Reports (PCRs) of IFC's AS project.

Results Framework

34. Overall, the results framework reflected well the link between the medium-term country goals, key issues and obstacles, outcomes and intermediate indicators to which the World Bank Group expects to contribute, and WBG instruments supporting the program objectives. However, the results framework had four significant shortcomings. First, some indicators could not be tracked. This is the case of objective 1, where several tax gap methodologies make it difficult to determine progress in reducing the gap. Second, some of the targets had no specific target date. Such is the case of objective 4 for railway and energy strategic plans. Third, in other instances, process-oriented indicators did not adequately reflect the intended objectives. Such is the case of Focus Area III, where production of strategies documents, and project applications do not necessarily translate into improvements in the coherence and credibility of national strategies or the readiness and capacity to build a project pipeline.

Partnerships and Development Partner Coordination

35. The Bank Group did not have an explicit partner coordination strategy. The CPS provides little detail and the CLR lists partners in each area but says little about coordination efforts or division of labor. The key development partnership in Croatia was cooperation with the EC and alignment with the country's EU policies. The CLR notes that this was maintained during the program period. For example, by linking financing instruments to the government reform program and connecting development objectives of investment projects to the EU agenda. The World Bank worked jointly with the EU and the European Bank for Reconstruction and Development (EBRD) on restructuring the railways. Coordination with the IMF was discussed in very general terms (there was reference to macro and fiscal issues), but there was no explicit division of labor (e.g., which institution would take the lead in which area).

Safeguards and Fiduciary Issues

36. Nine operations were closed and validated by IEG during the CPS, of which eight triggered environmental and social safeguards in the governance, health, water, environment and natural resources practices. The CLR reports satisfactory compliance. According to the projects' ICRs and IEG's ICRRs, the operations complied with all applicable social and environmental requirements. Issues recorded during implementation included weak capacity, delays, and construction noise,



especially with environmental safeguards. No Inspection Panel case was documented during the review period.

Ownership and Flexibility

37. There was broad alignment between the Bank Group program and the Government's 2013 economic program, which in turn was based on commitments for accession to the EU. The Bank Group carried out dialogue with the government as well as the European Commission to ensure that the program was owned by government counterparts. Initially, the government through consultation showed broad ownership which enabled program implementation. The change in administration in 2016 brought policy modifications that affected adversely key components of the Bank program. Policies in the health sector were reversed. Similarly, the consolidation of social protection programs was abandoned due to a change in the government's vision and priorities. The Bank had difficulties adjusting to this mid-way change of course, which brought significant delays in program implementation, and the need to restructure some operations. Although the Performance and Learning Review noted the potential difficulties associated with a change of government in 2016, it kept them as risks to the macroeconomic framework, and made only modest adjustments for the remainder of the Bank Group program.

WBG Internal Cooperation

38. There was substantial World Bank-IFC collaboration, with IFC supporting three of the nine CPS objectives. This was facilitated by a World Bank-IFC Joint Business Plan (September 2014). There was joint work between the World Bank and IFC on the privatization of district heating companies, and the Bank provided advice on feed-in-tariff legislation that was a prerequisite for IFC windfarm investments. There was also cooperation in the transport sector and regulation of financial institutions and products. IFC investments complemented Bank program and projects in air traffic, energy, and financing of medium and small enterprises. This cooperation was captured appropriately in the results framework. In air traffic, IFC supported the expansion of Zagreb International Airport. In energy, it helped develop sources of renewable energy through investments in wind power. IFC also invested in a local bank to expand financing to small and medium enterprises, some of which were expected to expand in the region and increase exports.

Risk Identification and Mitigation

39. The CPS and PLR identified risks from macroeconomic instability, notably from external shocks, implementation problems due to failures in policy coordination of a large number of actors, and a slowdown of reforms after EU accession. The plan was to mitigate risks through policy dialogue on macroeconomic and external developments, portfolio reviews to address implementation obstacles, and collaboration with the EC to rely on its monitoring framework and offset program slippages.

40. In practice, the main risk that materialized—and that had not been fully identified—was the change in priorities on important aspects of the program as a result of the political transition. The mitigation measures that had been envisaged—primarily, the EC monitoring framework being strong enough to keep the World Bank program on track—failed to refocus reform in light of new political realities. The World Bank then sought to restructure underperforming projects, but this proved to be difficult in operations with strong institutional reform components, such as the Revenue Administration Modernization Project (FY07) and the Social Protection project (FY15).

Overall Assessment and Rating

41. On balance, IEG rates WBG performance as **Good**. The CPS addressed key challenges facing the country, including EU accession, and was congruent with the government's 2013 Economic Program and aligned with the WBG's twin goals. The initial design of the program was appropriate. ASA was broadly aligned with the program, emphasizing complying with EU directives and helping absorb EU funds. Technical assistance covered a wide range of topics, including energy reforms, equity and gender, EU preparedness, fiscal issues, environment, and waste management. The analytical work undertaken by the World Bank helped prepare a Systematic Country Diagnostic Study



(SCD) in 2018, and also addressed issues in the justice system, energy, and smart specialization. The WBG identified a number of risks to the program coming from macro developments and domestic policy implementation but failed to articulate political economy risks. The results framework covered the country goals, outcomes to which the World Bank Group expected to contribute, and WBG instruments supporting the program's objectives. However, it suffered from inadequate and poorly monitored indicators. Planned coordination with EU institutions and the IMF was appropriate in light of accession driven policies and Croatia's challenging public finances.

42. During implementation, the program experienced reform reversals brought by political changes. The new 2016 administration changed priorities related to important aspects of the program. The mitigation measures that had been envisaged—primarily, the EC monitoring framework being strong enough to keep the World Bank program on track—failed to refocus the government reform orientation in light of new political realities. Portfolio performance at exit was comparable with the ECA region and the World Bank, but some interventions were affected by changes in government priorities. Projects that closed with unsatisfactory performance, such as the Revenue Administration project (FY07) and the Social Protection System Modernization project (FY15), contained major institutional and system reforms that were not embraced by the authorities following the 2016 change in administration. Such issues could not be addressed effectively through project restructurings. The number of active projects at risk remained stable and at levels comparable to EEC region and the Bank overall. There was substantial World Bank-IFC collaboration, particularly on energy, financial institutions and financial products. No Inspection Panel case was documented during the review period. Safeguard issues under some projects were addressed satisfactorily as they arose.

7. Assessment of CLR Completion Report

43. The CLR is clear and concise and provides a good discussion of the CPS achievements and WBG performance. However, it was insufficiently critical of shortcomings in the results framework and choice of indicators. In addition, it could have provided more information on the links between indicators and objectives under objectives 8 and 9 related to EU fund absorption and management and it would have been useful to have more evidence from the CLR on how World Bank activities translated into coherence and credibility of Croatia's policy documents, and on how the help with project preparation improved government readiness and capacity to continue building the project pipeline, which will be essential for future absorption of EU funds. Similar comments apply to some of the other objectives that are supported by technical assistance or economic sector work. The discussion of selectivity and the results framework also would have benefitted from more elaboration. Similarly, the discussion of risks is thin, particularly with respect to the main risk that materialized—and that had not been fully identified (i.e., the change in priorities on important aspects of the program as a result of the political transition after 2015).

8. Findings and Lessons

44. The CLR contains several lessons: (i) keep a focus on results but be flexible on the use of instrument; (ii) critical to consider the potential impact of political change; (iii) the World Bank Group has a role in policy design and process underpinning reforms in the public sector; and (iv) for EU member countries with access to financing, IFC can still play a role in the success of a project.

45. It is not clear how lesson (i) flows from the CLR. It would be useful were the CLR to be more explicit on how it was derived.

46. Lesson (ii) notes the importance of considering the potential impact of political change. Indeed, in all client countries political changes can derail World Bank programs due to changes in policy priorities. In this context, the World Bank may need to develop alternative scenarios during program preparation to respond with flexibility in the event of program-disruptive political change.

47. Lesson (iii) as stated is uncontentious, with limited value added as a lesson.



Annex Table 1: Summary of Achievements of CPS Objectives – Croatia

Annex Table 2: Planned and Actual Lending for Croatia, FY14-FY17 (\$, millions)

Annex Table 3: Advisory Services and Analytics Work for Croatia, FY14-FY17

Annex Table 4: Croatia Grants and Trust Funds Active in FY14-FY17 (\$, millions)

Annex Table 5: IEG Project Ratings for Croatia, FY14-FY17 (\$, millions)

Annex Table 6: IEG Project Ratings for Croatia and Comparators, FY14-FY17

Annex Table 7: Portfolio Status for Croatia and Comparators, FY14-FY17

Annex Table 8: Disbursement Ratio for Croatia, FY14-FY17

Annex Table 9: Net Disbursements and Charges for Croatia, FY14-FY17 (\$, millions)

Annex Table 10: Total Net Disbursements of Official Development Assistance for Croatia (\$, millions)

Annex Table 11: Economic and Social Indicators for Croatia

Annex Table 12: List of IFC Investments in Croatia (\$, millions)

Annex Table 13: List of IFC Advisory Services in Croatia (\$, millions)

Annex Table 14: IFC net commitment activity in Croatia, FY14 - FY17 (\$, millions)

Annex Table 15: List of MIGA Projects Active in Croatia, 2014-2017 (\$, millions)

Annex Table 1: Summary of Achievements of CPS Objectives – Croatia

	CPS FY14-FY17: Focus Area I: <i>Fiscal Adjustment through Reforms at the Sector Level</i>	Actual Results	IEG Comments
<p style="text-align: center;"><u>Major Outcome Measures</u></p>	<p>1. CPS Objective: Improving sustainability of revenue enhancing policy</p> <p>Indicator 1: Improved tax gap as a percentage of total GDP:</p> <p>Baseline: 0.8 (2011) Target: 0.9 (2013)</p>	<p>The Revenue Administration Modernization Project –RAMP (P102778, FY07) supported this objective.</p> <p>As reported in the CLR, the CPS used the RAMP-specific method to measure tax gap and when the project closed in June 2015, it was no longer possible to monitor further so the Intra-European Organization of Tax Administrations (IOTA) methodology was used to validate data (see Management ICR: MU which reports that the quality of data for tax gap estimates is an issue). The CLR also reports that the Croatian Tax Administration (CTA) did not adopt IOTA methodology.</p> <p>As an alternative indicator, the CLR, using data from the European Commission (see report) indicates that the Value-added tax (VAT) Gap for Croatia has dropped from 3% to 1% between 2014 and 2016 (see IEG comment).</p> <p>The CLR indicates that decline in the VAT gap is consistent with the RAMP activities completed by the CTA in 2016, related to the RAMP-supported Compliance Risk Management System (CRMS) and which provides data sets allowing the CTA to analyze risk of non-compliance and improve tax revenues. ICRR: MU reports that, at project closure (June 2015), the CRMS had not been implemented (see IEG comment). The inconsistency of data presented does not allow to verify this indicator.</p> <p style="text-align: center;">Not Verified</p>	<p>Before the PLR, Focus Area 1's name was: "Public Finance". The CPS original baseline and target were: <i>Baseline: 2.7% (2012)</i> <i>Target: 2.0% (2017)</i></p> <p>As indicated by the CLR, the VAT Gap is the difference between the VAT Total Tax Liability (VTTL) and the amount of VAT collected. The CLR specifies that in 2014-2016, the VTTL increased by 7% mainly on the account of household consumption recovery after a prolonged recession. In the same period, the amount of VAT revenues collected rose by 9%, reflecting among other things measures taken to improve the tax collection.</p> <p>The Strategy of Croatian Tax Administration for 2016-2020 reports that the establishment of a full functionality of risk management system (CRMS) as an opportunity for development. It does not confirm its current use.</p>
	<p>2. CPS Objective: Improving the targeting of social assistance programs</p> <p>Indicator 1: Means-tested programs as a share of all social assistance programs increased:</p> <p>Baseline: 16% (2012) Target: 20% (2017)</p>	<p>The Social Protection System Modernization Project (P145171, FY15) supported this Objective.</p> <p>IEG ICRR: HU reports that the project failed to introduce strict means testing for child allowances, preventing the realization of the expected results and does not report data related to the share of means-tested programs.</p> <p>The CLR reports that the share of means-tested social programs in overall central</p>	<p>As reported in the CLR and Management ICR: U of project P145171, a new Social Welfare Law was adopted in 2013 (see Act) which introduced a new Guaranteed Minimum Benefit (GMB), which consolidated four different social assistance benefits and applied means testing</p>

CPS FY14-FY17: Focus Area I: <i>Fiscal Adjustment through Reforms at the Sector Level</i>	Actual Results	IEG Comments
	<p>government social spending increased from 16.1 percent in 2012 to 17.1% in 2016 according to WBG calculations based on data provided by the Croatian government and to which IEG did not have access to.</p> <p>Not Verified</p>	<p>to protect the most vulnerable.</p> <p>The Economic Recovery Development Policy Loan 2 - ERDPL 2 (P127665, FY14) also supported this objective. As reported in the CLR and IEG ICRR: MS, the project supported the introduction of a management information system for social welfare and targeting social benefits using means-testing.</p>
<p>3. CPS Objective: Introducing cost rationalization and efficiency measures in the health sector</p>		
<p>Indicator 1: Total public accrual health spending reduced by .5 percent of GDP between 2012 and 2017:</p> <p>Baseline: 7.6% (2012) Target: 7.1% (2017)</p>	<p>The ERDPL 2 (P127665, FY14) supported this Indicator.</p> <p>The CLR reports that public accrual spending was 6.6% in 2016 (and 6.9% in 2014) according to WBG calculations based on data provided by the Croatian government and to which IEG did not have access to.</p> <p>IEG ICRR: MS for project P127665 reports that reduction in real health expenditures achieved 12% as of 2014 (with total public health spending reduced from 25.2 HRK million to 22.6 HRK million between 2012 and 2014). Data from Eurostat reports that health expenditure represented 6.5% of the GDP in 2016 and 7.2% in 2012.</p> <p>Achieved</p>	<p>The CPS original baseline and target were: <i>Baseline: 6.6% (preliminary, 2012)</i> <i>Target 6.1 % (2017)</i></p> <p>Other measures were achieved such as the implementation of e-prescriptions; standardized medical technology and orthopedic devices and centralized procurement– these were prior actions of the ERDPL2 (see Management ICR: MS).</p>
<p>Indicator 2: Further rationalization and reorganization of hospital system - total number of acute care beds:</p> <p>Baseline: 15,930 (2012) Target: 12,800 (2017)</p>	<p>The Improving Quality and Efficiency of Health Services PforR project (P144871, FY14) supported this indicator.</p> <p>As reported in the April 2018 ISR: MU, the total number of hospital beds in rationalized hospitals classified as acute care beds reached 12,161 as of February 2018 – this data was already reached as of March 2017 (see October 2017 ISR: MU).</p> <p>Mostly Achieved</p>	<p>The CPS original baseline and target were: <i>Baseline: 6 beds used for hospital admissions per 1000 inhabitants (2012)</i> <i>Target: 5 beds used for hospital admissions per 1000 (2017)</i></p>
<p>4. CPS Objective: Contributing to the coherence and implementation of strategic plans in railway and improvements in airport infrastructure</p>		
<p>Indicator 1: Implementation of restructuring plans for railway sector companies and medium-term strategy for the rail sector</p>	<p>The Sustainable Railways in Europe Project (P147499, FY15) supported this indicator.</p> <p>The CLR reports that the Transport Development Strategy (TDS) 2017-2030 has</p>	<p>The TDS assesses and defines future measures (infrastructure, operation and organization) in the transport sector, for all</p>

	CPS FY14-FY17: Focus Area I: <i>Fiscal Adjustment through Reforms at the Sector Level</i>	Actual Results	IEG Comments
	<p>consistent with the EU 2014-20 funding period:</p> <p>Baseline: Revised restructuring plans of railway companies</p> <p>Target: Railway Modal Strategy 2014-2020 and medium-term contracts in place for Passenger Services and Infrastructure Management consistent with the strategy</p>	<p>been adopted in 2017 and approved by the EC as part of ex-ante conditionality for the use of EU funds (see EU page and PAD for the Modernization and Restructuring of the Road Sector project, P155842, FY17). IEG could not verify the adoption of the TDS by the government (see IEG comment).</p> <p>The CLR reports that, medium-term contracts for Passenger Services Obligation (PSO) in HZ Passenger (HWP) consistent with the strategy have been in place since 2017 while the January 2018 ISR: MS of project P147499 reports that the Ministry of Transport and the government have announced that they will effectively start sector reform in 2018. The latest ISR: MS of November 2018 reports that the finalization of the new multi-annual PSO contract was expected by end of July 2019. Finally, additional information shared by the Country Team indicates that a multi-annual PSO contract for 2019-2028 were signed. Nevertheless, according to IEG information railway companies restructuring did not achieve the expected level of progress. Partially Achieved</p>	<p>transport segments, including railway. Only the April 2017 TDS draft document was available online.</p> <p>The Spending Review TA (P154273, FY15) also supported this indicator, providing support to the redesign of PSO contracts (see Final Report).</p> <p>The CLR also reports that interim/annual contracts are also in place with more detailed annual operational plans, including the national budget components for EU funds projects. This information could not be verified by IEG.</p>
	<p>Indicator 2: Implementation of Croatia Energy Strategy 209-2020 related to the renewable energy and district heating:</p> <p>Baseline: Energy Strategy in place (2012)</p> <p>Target: Action plan adopted for feed-in tariffs for renewable energy resources and for improving the efficiency of the distinct heating sector.</p>	<p>The WBG supported the Croatia Energy Reforms non-lending technical assistance (P144564, FY14); the Energy Affordability study (P150385, FY15, see final study) and the EU 11 Programmatic Energy Affordability programmatic approach (P147497, FY15, see completion summary).</p> <p>As reported in the CLR, the Bank reviewed the methodology for feed-in tariffs, especially for district heating (DH) sector (under project P144564), and provided recommendation to the Croatian Energy Regulating Agency, some of which were accepted and adopted in the new tariff system.</p> <p>The CLR reports that an action plan for feed-in tariffs for renewable energy resources and for improving the efficiency of the DH sector was adopted and that the feed-in tariff system for RER and DH was adopted in 2013, with amendments in 2014 and 2015 (see 2013 and 2015 documents). Achieved</p>	

	CPS FY14-FY17: Focus Area I: <i>Fiscal Adjustment through Reforms at the Sector Level</i>	Actual Results	IEG Comments
	<p>Indicator 3: Accommodate existing and future air traffic:</p> <p>Baseline: 0.44 million unique users in 2013 Target: 0.60 million unique users in 2017</p>	<p>The IFC Financing for Zagreb Airport expansion and modernization project (31969, FY14, see IFC brief) supported this indicator.</p> <p>The CLR reports, using data from the National Airport Authority, that the number of passengers in 2017 reached 3.1 million, meaning that there were 0.59 million unique users in 2017. It also reports that IFC financing for Zagreb Airport expansion is expected to reach in 2018 0.66 million unique users (or 3.45 million passengers) based on the increase in the number of passengers in 2017 and the first two months of 2018.</p> <p>Achieved</p>	<p>Indicator added at PLR.</p>
	CPS FY14-FY17: Focus Area II: <i>Innovation and Trade Competitiveness for Growth and Shared Prosperity</i>	Actual Results	IEG Comments
<u>Major Outcome Measures</u>	<p>5. CPS Objective: Improving efficiency and reducing arrears in the judicial system</p> <p>Indicator 1: Case backlog in judiciary decreased Baseline: 437,892 (2012) Target: 394,103 (2017)</p>	<p>The Justice Sector Support Project (P104749, FY10) supported this indicator. IEG ICRR: MS reports that Court case backlogs were reduced from 437,892 to 349,051, as of April 2016. As reported in the CLR, this reduction was made possible notably thanks to the piloting and implementation of a new integrated case management system (ICMS).</p> <p>Achieved</p>	<p>Under Integrated Land Administration System Project (P122219, FY12), transaction processing times in the land registry and cadaster were reduced from, respectively, 48 and 30 days to 17.8 and 3.5 days as of March 2018 (see June 2018 ISR: S).</p> <p>Before the PLR, Focus Area 2's name was: "Competitiveness". The CPS original baseline and target were: <i>Baseline: 498,601 (2012)</i> <i>Target: 300,000 (2017)</i></p> <p>The CLR indicates that comparable data for 2017 is not available given that the methodology applied currently in the Croatian judicial system is not comparable with how this was tracked under the WBG <i>Justice Project</i>.</p>



CPS FY14-FY17: Focus Area II: <i>Innovation and Trade Competitiveness for Growth and Shared Prosperity</i>	Actual Results	IEG Comments
6. CPS Objective: Contributing to diversity and security of energy supply by financing energy efficiency and renewable energy projects		
<p><u>Indicator 1: Additional renewable energy generation capacity installed</u> Target: 108 MW (2017)</p>	<p>Various IFC projects contributed to this indicator:</p> <ul style="list-style-type: none"> - The Sibenik wind power plant (WPP) project (31606, FY12) – IEG confirms that the WPP has capacity of 43.7 MW, and it is the largest WPP in Croatia producing about 100 gWh yearly as reported by CLR. (http://www.rp-global.com/wind/croatia/danilo/) - The Jelinak project (32218, FY13) – IEG confirms that it has the capacity of 30 MW (as per the IFC Brief and https://www.acciona-energia.com/areas-of-activity/wind-power/major-projects/jelinak-wind-farm/) - The Rudine WPP project (34079, FY15) – IEG confirms that the WPP has capacity of 34.2 MW as reported by CLR (http://www.rp-global.com/wind/croatia/rudine/) <p>IEG confirms that IFC investments in the energy sector have increased the renewable energy installed capacity by 107.9 MW. Achieved</p>	<p>Before the PLR, the original baseline and target were: <i>Baseline: 180MW (2012)</i> <i>Target: 354 MW (2017)</i></p>
<p><u>Indicator 2: GHG emissions avoided per year</u> Target: 75,000 tCO2 equivalent (2017)</p>	<p>The information of the project company states that two WPPs financed by IFC reduced the GHG emission by 100,000 tCO2. Achieved</p>	<p>Before the PLR, the original baseline and target were: <i>Baseline: 0 (2013)</i> <i>Target: 0.32 million (2017)</i></p>
7. CPS Objective: Supporting competitive local companies to expand in the region and increase exports		
<p><u>Indicator 1: Level of exports of beneficiary companies</u> Baseline: HRK 4.35 billion (2011) Target: At least preserve the level of exports (2017)</p>	<p>The Export Finance Intermediation Loan (P116080, FU10) supported this indicator. As reported in IEG ICRR: S the level of exports of beneficiary firms has increased by 18.9% collectively, with the total value exports increasing by EURO 225 million during the project life (by August 2016) and a median growth rate of 25%. Achieved</p>	
<p><u>Indicator 2: Number of outstanding MSME loans in the portfolio IFC's client banks</u> Baseline: 6,000 (2011)</p>	<p>The IFC investment with the relationship bank (project 32317, FY14) supported this indicator.</p> <p>The CLR reports that in 2016, IFC reached 5,125 MSME loans through its client bank. It adds that the number was expected to grow</p>	<p>Indicator added at PLR.</p>

	CPS FY14-FY17: Focus Area II: <i>Innovation and Trade Competitiveness for Growth and Shared Prosperity</i>	Actual Results	IEG Comments
	Target: At least preserve the same level (2016)	but that due to a change of market conditions and decrease in demand for financing, the client bank decided to cancel the engagement and proceed with prepayment ahead of time. Mostly Achieved	
	CPS FY14-FY17: Focus Area III: <i>Helping Maximize the Economic Benefits of Becoming an EU Member State</i>	Actual Results	IEG Comments
Major Outcome Measures	8. CPS Objective: Improving coherence and credibility of national strategic and policy documents needed for the EU funds absorption and management Indicator 1: National strategic and policy documents, including sector specific strategies, needed for the use of EU Funds, adopted by relevant authorities Baseline: no documents in place (2012) Target: Sector strategies adopted: (i) National Education, Science and Technology Strategy; (ii) National Innovation Strategy; (iii) Research and Innovation Strategy for Smart Specialization; (iv) Policy advice/ recommendations in the areas of irrigation, rural development, transport, SME and water/ environment sector; (v) National Technical and Economic Study for Management of Wastewater Treatment Sludge (2017).	The Second Science and Technology project (P127308, FY13) and the Smart Specialization ASA (P154855, FY15, see WBG Final Report) supported this indicator. The following policy advice was provided and strategies have been adopted during the CPS: (i) as reported in project P127308 ISR: S of October 2018, the National Strategy on Education, Science and Technology was adopted by the Parliament in October 2014 (see EU document); (ii) as reported in the CLR, a National Innovation Strategy has been prepared and adopted December 2014 (see EU document). (iii) the Smart Specialization Strategy has been approved by the European Commission in March 2016 (see EU page and EU document) (iv) the CLR reports that Policy advice in the areas of irrigation, rural development, transport, SME and water/environment sector has been provided through EU Preparedness TA (P131000, FY15) during three years (see WBG Summary of Results and Report) (v) the Coastal Cities Pollution Control Project 2 (P102732, FY09) supported the preparation of a technical and economic study on treatment and disposal of waste and waster sludge (see IEG ICRR: S). A national Waste Management for 2017-2022 was also prepared by the Government (see document). Achieved	As reported in the CLR, the National Research infrastructure Roadmap has been updated following the approval of the Smart Specialization Strategy (see document).



CPS FY14-FY17: Focus Area III: <i>Helping Maximize the Economic Benefits of Becoming an EU Member State</i>	Actual Results	IEG Comments
<p>9. CPS Objective: Contributing to Croatia’s readiness and capacity to build the project pipeline for absorbing EU Funds in selected sectors</p>		
<p>Indicator 1: Number and value of project applications prepared and/or submitted for financing from EU Funds in research and innovation and nature protection</p> <p>Baseline: no project proposals (2012)</p> <p>Target: (i) At least 6 project applications for financing in research, development and innovation sector, for the total value of projects amounting to € 50 million</p> <p>(ii) At least 25 project applications for financing in the nature protection sector, for the total value of projects amounting to € 50 million (2017)</p>	<p>As reported in the CLR, various projects supported this Objective:</p> <p>(i) The CLR reports that under the Second Science and Technology project (P127308, FY13), 6 project applications are in course for an estimated value of EUR 168 million - of these, 2 projects have already received financing worth EUR 34 million. 1 R&D grant scheme has been prepared (EUR 5 million), and of the remainder 3 large R&D infrastructure projects, applications for 2 have been completed (Jaspers issued completion notes), and one is in an advanced stage of preparation (O-zip project by Rudjer Boskovic Institute worth EUR 72 million). This information could not be verified by IEG using the most recent ISR (October 2018 ISR: S) which reports distinct data. Only the status of the O-Zip project could be verified.</p> <p>(ii) The CLR reports that the WBG has supported the preparation of applications for absorption of EU funds estimated at over EUR 650 million, far more than the EUR100 million euros foreseen initially:</p> <ul style="list-style-type: none"> - Under the EU Natura 2000 Integration Project (P111205, FY1) 32 project proposals were made to EU Structural Funds, of which 17 were approved for funding, 10 were in the process of approval and 5 were rejected (see IEG ICRR: S). As reported in the ICRR, as a result Croatia has been granted EURO 213 million from the EU Structural Fund for programming in 2014-2020. - Under the <i>Coastal Cities</i> Pollution Control Project 2 (P102732, FY09), five projects design were prepared for around EUR 230 million and processing was underway for these proposals given that they were completed towards the end of the project (see IEG ICRR: S). - The CLR reports that under the Rijeka Gateway 2 Project (P102365, FY09) one EU project application under EU 	<p>The CLR also reports that under the Justice Sector Support Project, (P104749, and FY10) the Bank supported the preparation of two project applications for EUR 11 million, which have already been implemented. This information is not reported in IEG ICRR: MS.</p>

	CPS FY14-FY17: Focus Area III: <i>Helping Maximize the Economic Benefits of Becoming an EU Member State</i>	Actual Results	IEG Comments
		<p>Connecting Europe Facility worth 30 million EUR has already been approved and contracting is underway. The June 2018 ISR: MS reports that the construction of the Zagreb Container Terminal was progressing well and was on track to be completed by end December 2018 (see European Commission document).</p> <p>Mostly Achieved</p>	

Annex Table 2: Planned and Actual Lending for Croatia, FY14-FY17 (\$, millions)

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount		Approved IBRD Amount	
					CPS	PLR		
Project Planned Under CPS/PLR								
P133471*	Croatia Export Financing Guarantee Project**	2013	2013	2018		0.0	0.0	
P143921*	GEF Adriatic Sea Environmental Pollution Control Project	FY14-15	2014	2019		4.3	4.3	
P127665	ECONOMIC RECOVERY DPL 2	FY14-15	2014	2015		206.8	206.8	
Dropped	Development Policy Loan	FY14-15						
P144871	Health Sector Reform Project	FY14-15	2014	2020		103.5	103.5	
P145171	SOCIAL PROTECTION SYSTEM MODERNIZATION	FY14-15	2015	2018		95.6	95.6	
P147499	Croatia Railway	FY14-15	2015	2020		183.4	183.4	
P152130*	Croatia Innovation & Entrepreneurship VC	FY14-15	2016	2018		21.9	21.9	
Total Planned						800	611.2	611.2
Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount		Approved IBRD Amount	
					CPS	PLR		
Project Unplanned Under CPS/PLR								
P155842	Modernization and restructuring of roads**		2017	2022			23.33	
Total Unplanned							23.33	
Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount		Approved IBRD Amount	
					CPS	PLR		
On-going Projects During the CPS/PLR Period								
P093767	TRADE & TRANS INTEG		2007	2016			75.3	
P102778	REVENUE ADMIN MODERN (RAMP)		2007	2015			68	
P086669	EMS & INVEST PLANNING (DEMSIP)		2009	2014			28.3	
P102365	RIJEKA Gateway II (new FY09)		2009	2019			122.5	
P102732	COASTAL CITIES POLLUTION CONTROL 2		2009	2016			87.5	
P104749	JUSTICE SECTOR SUPPORT PROJECT		2010	2016			36.3	
P116080	EXPORT FIL		2010	2017			141.22	
P111205	EU NATURA 2000		2011	2017			28.8	
P118260	AF-TRADE & TRANSPORT INTEGRATION		2012	2016			66.92	
P122219	INTEGRATED LAND ADMIN SYSTEM		2012	2022			23.8	
P127308	Science and Technology II		2013	2019			26.24	
P129220	CROATIA EFIL AF		2013	2017			61.41	
Total On-going							766.29	

Source: Croatia CPS, WB Business Intelligence Table 2a.4, 2a.7, and 2b.1 as of 01/29/2019.

* Projects planned but not listed in Croatia CPS Table 4 - P152130 (par. 71), P065416 (par. 85), P133471 approved prior to CPS

** Partial credit guarantee of \$256.4 million for P133471 and \$330.7 million for P155842.

*** Rating of parent project.

Annex Table 3: Advisory Services and Analytics Work for Croatia, FY14-FY17

Project ID	Economic and Sector Work	Fiscal Year	Report Type	Global Practice
P129039	Croatia Case Study	FY14	Sector or Thematic Study/Note	Governance
P122054	Justice Sector Public Exptr & Instnl Rvw	FY14	Public Expenditure Review (PER)	Governance
P127662	Public Finance Review	FY14	Public Expenditure Review (PER)	Macroeconomics, Trade and Investment
P150385	Croatia Energy Affordability	FY15	Other Poverty Study	Poverty and Equity
P154855	Croatia Smart Specialization	FY15	Knowledge Management Product	Trade & Competitiveness
P156959	Croatia Policy Notes 2015	FY16	Sector or Thematic Study/Note	Macroeconomics, Trade and Investment
P160376	Croatia CEQ & input to regional flagship	FY17	Other Poverty Study	Poverty and Equity
Project ID	Technical Assistance	Fiscal Year	Output Type	Global Practice
P145233	Venture Capital	FY14	Technical Assistance	Trade & Competitiveness
P144564	Energy Reforms	FY14	Technical Assistance	Energy & Extractives
P147844	National Reform Program	FY14	Technical Assistance	Macroeconomics, Trade and Investment
P143280 *	EU Equity and Gender	FY14	Technical Assistance	Poverty and Equity
P143351 *	ECCU5 Activation and Skills for Employability and Protection	FY14	Technical Assistance	Social Protection & Labor
P153993	Banking Sector - Croatia	FY15	Technical Assistance	Finance, Competitiveness and Innovation
P149740	ML/FTNational Risk Assessment of Croatia	FY15	Technical Assistance	Finance, Competitiveness and Innovation
P131000	EU Preparedness	FY15	Technical Assistance	Social, Urban, Rural and Resilience Global Practice
P154273	Croatia: Support for Spending Review	FY15	Technical Assistance	Macroeconomics, Trade and Investment
P153715	Croatia National Reform Program VC	FY15	Technical Assistance	Other
P146139 *	Danube Water Program State of the Sector	FY15	Technical Assistance	Water
P153528	Croatia National Reform Program	FY16	Technical Assistance	Transport & Digital Development
P156355	Tax Treatment of NPL resolution	FY16	Technical Assistance	Finance, Competitiveness and Innovation
P159627	Spatial Analysis of Poverty and Policies	FY16	Technical Assistance	Poverty and Equity
P156273	Croatia Macro-Fiscal Structural Dialogue	FY17	Technical Assistance	Macroeconomics, Trade and Investment
P153133	Croatia--RAS Higher Ed Finance Reforms	FY17	Technical Assistance	Education
P163660	Assessing financial gap for implementation of Croatian National Waste Management Plan (2017-2022)	FY17	Technical Assistance	Environment & Natural Resources

Source: WB Business Intelligence 01/29/2019.

* Regional Projects

Annex Table 4: Croatia Grants and Trust Funds Active in FY14-FY17 (\$, millions)

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P084608	Neretva and Trebisnjica River Basin Management Project (BiH/Croatia)	TF 91967	2009	2015	8.0
P102395	Second Coastal Cities Pollution Control Project	TF 92704	2009	2016	6.4
P144257	PEFA Study for Local Governments in Croatia	TF 14175	2013	2014	0.1
P144257	PEFA Study for Local Governments in Croatia	TF 14177	2013	2015	0.1
P131562	Croatia: SAFE Trust Fund for Modernizing Treasury Systems in Croatia	TF 12382	2013	2014	0.2
Total					14.8

Source: WB Client Connection as of 01/29/2019.

* Rating of parent project; ** IEG validates RETF that are 5M and above.

Annex Table 5: IEG Project Ratings for Croatia, FY14-FY17 (\$, millions)

Exit FY	Project ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2014	P086669	EMS & INVEST PLANNING (DEMSIP)	23.0	MODERATELY SATISFACTORY	MODERATE
2015	P084608	Neretva and Trebisnjica River Basin Management Project (BiH/Croatia)	7.9	MODERATELY SATISFACTORY	MODERATE
2015	P102778	REVENUE ADMIN MODERN (RAMP)	15.8	MODERATELY UNSATISFACTORY	LOW
2015	P127665	ECONOMIC RECOVERY DPL 2	202.1	MODERATELY SATISFACTORY	SIGNIFICANT
2016	P093767	TRADE & TRANS INTEG	135.8	UNSATISFACTORY	SIGNIFICANT
2016	P102732*	COASTAL CITIES POLLUTION CONTROL 2	80.8	SATISFACTORY	LOW
2016	P104749	JUSTICE SECTOR SUPPORT PROJECT	21.4	MODERATELY SATISFACTORY	MODERATE
2017	P111205	EU NATURA 2000	25.3	SATISFACTORY	#
2017	P116080	EXPORT FIL	188.1	SATISFACTORY	MODERATE
Total			700.2		

Source: WB Business Intelligence Key IEG Ratings as of 01/29/2019.

* Includes GEF grant from P102395.

Annex Table 6: IEG Project Ratings for Croatia and Comparators, FY14-FY17

	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$M)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Croatia	700.2	10	77	80	50	78
Europe and Central Asia	17,341.2	134	94	80	60	50
World	89,286.3	956	85	74	51	42

Source: WB Business Intelligence as of 01/29/2019 and IEG staff calculations.

Annex Table 7: Portfolio Status for Croatia and Comparators, FY14-FY17

Fiscal Year	2014	2015	2016	2017	Ave FY14-FY17
Croatia					
# Proj	11	11	9	8	10
# Proj At Risk	3	2	1	2	2
% Proj At Risk	27	18	11	25	20
Net Comm Amt (\$M)	999.5	1,039.7	808.1	600.2	861.9
Comm At Risk (\$M)	288.5	146.3	122.5	117.5	168.7
% Commit at Risk	29	14	15	20	19
Europe and Central Asia					
# Proj	202	207	197	202	202
# Proj At Risk	36	30	40	34	35
% Proj At Risk	18	14	20	17	17
Net Comm Amt (\$M)	26,638.2	26,192.1	27,213.5	25,219.5	26,315.8
Comm At Risk (\$M)	2,619.0	3,507.2	4,288.2	5,460.1	3,968.6
% Commit at Risk	10	13	16	22	15
World Bank					
# Proj	1,386	1,402	1,398	1,459	1,411
# Proj At Risk	329	339	336	344	337
% Proj At Risk	24	24	24	24	24
Net Comm Amt (\$M)	183,153.9	191,907.8	207,350.0	212,502.9	198,728.6
Comm At Risk (\$M)	39,748.6	44,430.7	42,715.1	50,837.9	44,433.1
% Commit at Risk	22	23	21	24	22

Source: WB Business Intelligence as of 01/29/2019.

Annex Table 8: Disbursement Ratio for Croatia, FY14-FY17

Fiscal Year	2014	2015	2016	2017	Overall Result
Croatia					
Disbursement Ratio (%)	23	25	25	22	24
Inv Disb in FY (\$M)	96.0	77.0	119.7	76.0	368.7
Inv Tot Undisb Begin FY (\$M)	426.2	304.4	470.3	351.1	1,552.0
Europe and Central Asia					
Disbursement Ratio (%)	23	23	17	21	21
Inv Disb in FY (\$M)	2,613.6	2,664.9	2,276.3	2,858.7	10,413.5
Inv Tot Undisb Begin FY (\$M)	11,470.0	11,343.0	13,032.3	13,778.8	49,624.1
World Bank					
Disbursement Ratio (%)	21	22	19	20	21
Inv Disb in FY (\$M)	20,759.3	21,854.1	21,153.6	22,128.0	85,895.0
Inv Tot Undisb Begin FY (\$M)	99,856.9	100,345.8	108,603.7	108,150.7	416,957.0

Source: WB Business Intelligence as of 01/29/2019.

Annex Table 9: Net Disbursements and Charges for Croatia, FY14-FY17 (\$, millions)

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfers
FY14	97.4	133.2	-35.8	13.9	0.2	-49.9
FY15	287.5	107.7	179.7	13.9	1.0	164.8
FY16	155.9	277.2	-121.4	11.1	2.1	-134.5
FY17	75.4	101.7	-26.4	8.6	0.4	-35.4
Report Total	616.1	619.9	-3.8	47.5	3.7	-55.0

Source: WB Business Intelligence as of 01/29/2019.

Annex Table 10: Total Net Disbursements of Official Development Assistance for Croatia (\$, millions)

Development Partners	2014	2015	2016	2017
No data available.				
Development Partners, Total				

Source: OECD Stat database as of 01/29/2019.

Annex Table 11: Economic and Social Indicators for Croatia

Series Name					Croatia	Europe and Central Asia	World
	2014	2015	2016	2017	Average 2014-2017		
Growth and Inflation							
GDP growth (annual %)	-0.1	2.4	3.5	2.9	2.2	2.1	2.8
GDP per capita growth (annual %)	0.3	3.2	4.3	4.1	3.0	1.6	1.6
GNI per capita, PPP (current international \$)	21,640.0	22,860.0	23,740.0	25,810.0	23,512.5	30,954.6	16,012.3
GNI per capita, Atlas method (current \$)	13,290.0	12,970.0	12,360.0	12,570.0	12,797.5	24,055.7	10,563.1
Inflation, consumer prices (annual %)	-0.2	-0.5	-1.1	1.1	-0.2	0.8	1.8
Composition of GDP (%)							
Agriculture, value added (% of GDP)	3	3	3	3	3	2	4
Industry, value added (% of GDP)	22	22	22	22	22	23	26
Services, etc., value added (% of GDP)	58	58	58	58	58	65	64
Gross fixed capital formation (% of GDP)	19	20	20	20	20	20	23
Gross domestic savings (% of GDP)	21	22	24	23	22	24	26
External Accounts							
Exports of goods and services (% of GDP)	45	48	49	51	48	42	31
Imports of goods and services (% of GDP)	43	46	46	49	46	39	30
Current account balance (% of GDP)	1	5	3	5	3	..	..
External debt stocks (% of GNI)	..	..	..	..	..	..	..
Total debt service (% of GNI)	..	..	..	..	..	..	..
Total reserves in months of imports	7	7	6	7	7	8	13

Series Name					Croatia	Europe and Central Asia	World
	2014	2015	2016	2017	Average 2014-2017		
Fiscal Accounts*					..	..	..
General government revenue (% of GDP)	43	44	46	..	44	..	..
General government total expenditure (% of GDP)	48	48	47	..	48	..	..
General government net lending/borrowing (% of GDP)	-5	-3	-1	..	-3	..	..
General government gross debt (% of GDP)	86	85	82	..	84	..	..
Health					..	..	..
Life expectancy at birth, total (years)	77.5	77.3	78.0	..	77.6	77.2	71.9
Immunization, DPT (% of children ages 12-23 months)	95	94	93	92	94	93	85
People using at least basic sanitation services (% of pop)	97	97	..	..	97	96	68
People using at least basic drinking water services (% of pop)	100	100	..	..	100	98	88
Mortality rate, infant (per 1,000 live births)	4.2	4.1	4.0	3.9	4.1	8.4	30.8
Education					..	..	..
School enrollment, preprimary (% gross)	61	63	63	..	62	74	48
School enrollment, primary (% gross)	99	98	95	..	97	102	103
School enrollment, secondary (% gross)	99	98	98	..	98	106	77
Population					..	..	..
Population, total (Millions)	4.2	4.2	4.2	4.1	4.2	909.4	7,400.8
Population growth (annual %)	-0.4	-0.8	-0.7	-1.2	-0.8	0.5	1.2
Urban population (% of total)	56	56	56	57	56	72	54
Poverty					..	..	..
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	1	1	..	..	1	2	10
Poverty headcount ratio at national poverty lines (% of pop)	20	20	..	..	20	..	..
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	..	..	..	..	..	..
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	..	..	..	..	..	..
GINI index (World Bank estimate)	32.1	31.1	..	..	31.6	..	..

Source: WB Development Data Platform as of 01/29/2019.

*International Monetary Fund, World Economic Outlook Database, October 2018.

Annex Table 12: List of IFC Investments in Croatia (\$, millions)
Investments Committed in FY14-17

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
34079	2015	Active	Electric Power	61.3	24.6	-	24.6
31969	2014	Active	Transportation and Warehousing	173.8	72.6	15.8	72.1
32317	2014	Closed	Finance & Insurance	65.0	68.0	-	68.0
34380	2014	Active	Transportation and Warehousing	1.2	1.2	-	1.2
Sub-Total				301.3	166.5	15.8	166.0

Investments Committed pre-FY14 but active during FY14-17

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
32218	2013	Active	Electric Power	57.5	20.0	-	20.0
32454	2013	Active	Food & Beverages	339.2	20.5	-	20.5
33394	2013	Active	Wholesale and Retail Trade	67.8	38.5	-	38.5
31606	2012	Active	Electric Power	74.0	24.8	-	24.8
Sub-Total				538.5	103.8	-	103.8
TOTAL				839.8	270.3	15.8	269.8

Source: IFC-MIS Extract as of 9/30/18

Annex Table 13: List of IFC Advisory Services in Croatia (\$, millions)
Advisory Services Approved in FY14-17

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds
No approved projects						
Sub-Total						-

Advisory Services Approved pre-FY14 but active during FY14-17

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds
Sub-Total						-
TOTAL						-

Source: IFC AS Portal Data as of 9/30/15

Annex Table 14: IFC net commitment activity in Croatia, FY14 - FY17 (\$, millions)

	2014	2015	2016	2017	Total
Long-term Investment Commitment					
Financial Markets	68.2	(5.3)	-	-	62.9
Agribusiness & Forestry	-	-	-	-	-
Manufacturing	-	-	-	-	-
Tourism, Retail, Construction & Real Estates (TRP)	0.5	-	-	-	0.5
Infrastructure	75.0	13.6	(0.6)	(0.2)	87.8
Total IFC Long Term Investment Commitment	143.8	8.3	(0.6)	(0.2)	151.2
Total Short-term Finance/Trade Finance / Average Outstanding Balance (GTFP)		-	-	-	

Source: IFC MIS as of 12/3/18

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.

Annex Table 15: List of MIGA Projects Active in Croatia, 2014-2017 (\$, millions)

Contract Enterprise	FY	Project Status	Sector	Max Gross Issuance
No Active MIGA Projects				
Total				-

Source: MIGA 12/4/18 w/ Project Briefs