

1. CPS Data	
Country: Croatia	
CPS Year: FY09	CAS/CPS Period: FY09- FY12
CPSCR Review Period: FY09- FY13	Date of this review: 6/12/2013

2. Executive Summary
<p>i. This review examines the implementation of the FY09-FY13 Croatia Country Partnership Strategy (CPS) of FY09 and CPS Progress Report of FY12, and assesses the CPS Completion Report (CPSCR). The strategy, initially IBRD-only, became formally a joint strategy between the IBRD and IFC at CPSPR stage. This review covers the joint program of the two institutions.</p> <p>ii. Given Croatia's overarching priority to enter the EU, the main goal of the CPS was to support the completion of Croatia's EU accession process, the rapid convergence of its income level with that of other EU members, and a decent quality of life. To do so, the WBG program aimed at contributing in four areas: (i) sustaining macroeconomic stability; (ii) strengthening private-sector-led growth and accelerating convergence with the EU, (iii) improving the quality and efficiency in the social sectors, and (iv) increasing the sustainability of long-term development. Supporting Croatia's EU accession was a cross-cutting theme. The CPSPR, which was prepared in FY12, the last year of the original CPS period, reaffirmed the objectives of the CPS and maintained the same four pillars.</p> <p>iii. IEG rates the overall outcome of the CPS as <i>moderately satisfactory</i>, concurring with the CPSCR. Bank support contributed to significant strengthening of the regulatory and supervisory framework for the financial sector and to improvement in tax compliance. Fiscal consolidation in 2012 helped meet the deficit target, and there was some progress in piloting performance-based budgeting, although the results of the pilots are unknown. The Bank also contributed to improvement in environmental management and nature protection, as well as expansion of energy efficiency programs and the slow (below expectation) development of renewable energy. Progress was made in improving Emergency Medical Services and some aspects of the pension system, although there is no evidence for enhanced efficiency of health spending or strengthened sustainability of the pension system. The efficiency of the judiciary improved, but policy reversals led to lapses in public sector reforms. There was greater commercialization of R&D, but the expected increase in R&D spending and the private sector's share in it did not materialize. Certain aspects of the business environment improved and privatization slowly moved forward, but the role of the private sector in the economy did not increase. Although private concessions were signed, port capacity did not expand as much as expected due to construction delays. Some initiatives were undertaken to improve the education system, but data on student learning are inconclusive. The Bank's interventions helped disadvantaged communities, but their impact on regional and urban/rural disparities or the capacity of regional/local authorities is unknown. The Bank's support in agriculture was helpful for meeting EU requirements, but its effects on agricultural productivity are unclear. Also unclear is whether the intermediate steps undertaken to improve the efficiency and transparency of social programs have achieved the intended outcomes.</p>

CASCR/CPSCR Reviewed by:	Peer Reviewed by:	CASCR Review Coordinator
Juan J. Fernández-Ansola, Consultant, IEGCC	Lorenzo Perez, Consultant, IEGCC	Xiaolun Sun, Senior Evaluation Officer, IEGCC
Surajit Goswami, Consultant, IEGCC	Takatoshi Kamezawa, Senior Evaluation Officer, IEGCC	

iv. IEG rates the WBG performance as *moderately satisfactory* concurring with the CPSCR. The broad CPS objectives were consistent with Croatia's ambitions and well aligned with the country's own development programs. The choice of engagement areas supported the overall CPS objectives, while the choice of instruments was generally appropriate for contributing to the relevant country goals, although the lack of clearly articulated CPS objectives in some instances makes it difficult to determine whether the proposed interventions would be able to bring about the expected outcomes. Indeed, the various deficiencies of the results framework denied the country team an implementation management tool to monitor progress and assess achievement. The AAA program was well designed, but very small relative to the lending portfolio and there was no appreciable shift of focus from projects to knowledge services. Supervision was adequate and portfolio performance was on par with regional average. The WBG demonstrated sufficient flexibility in adjusting its program to changing country circumstances and updating the results framework accordingly (although not addressing the initial deficiencies). The Bank appears to have coordinated well with its main partners (EU and IMF), but there is no information on IBRD-IFC collaboration. Overall, IFC investments contributed to the competitiveness agenda by helping domestic investee companies improve their operations. However, the planned IFC advisory services did not happen, and IFC's contribution to the CPS objectives was not captured by the results framework.

v. IEG concurs with the CPSCR lessons. In particular, IEG agrees that monitoring and evaluation of the attainment of specific CPS objectives, rather than deliverables, would be beneficial in assessing the WBG program's contribution to country goals. Moreover, existing capacity constraints for policy implementation would be exacerbated by the need to absorb the expected quantum leap in available EU funds. It is therefore important for the WBG to devote greater attention to capacity building, through non-lending TA for example, to help Croatia use EU funds and other resources effectively.

3. WBG Strategy Summary

Overview of CAS/CPS Relevance:

Country Context:

1. In the years prior to the CPS period, Croatia enjoyed strong economic growth fueled by abundant foreign capital inflows. GDP growth averaged about 5 percent during 2003-07 with private consumption and investment (mostly in construction sector) driving economic growth. GDP per capita (PPP) increased from 55 percent to 64 percent of the EU average and absolute poverty declined from 11 percent in 2004 to 6.1 percent in 2008. The beginning of the CPS period coincided with the onset of the global financial crisis. GDP fell by 7 percent in 2009, and another compounded 3 percent during 2010-12. Unemployment increased from 8 percent in 2008 to 14 percent in 2013 and the economy is struggling to restart growth in 2013. The medium term prospects appear constrained by deep-rooted competitiveness problems. Croatia is set to become the 28th member of the EU on July 1, 2013, realizing one of its main ambitions since 2003.

2. The Government's strategy was described in the Program of the Government of Croatia 2008-11, which underscored structural reforms for sustained and regionally balanced growth. The main reform plans had five focus areas: (i) completing judicial and public administration reforms; (ii) completing the privatization process and seriously tackle corruption; (iii) intensifying development of SMEs and increasing agricultural competitiveness while pursuing a balanced development of all regions; (iv) fostering the tourism sector with further development of infrastructure; and (v) promoting a knowledge-based society. This was complemented by a series of programs aimed at EU accession. In April 2010, the Government launched a comprehensive Economic Recovery Program for 2010-20 that aimed at (i) improving the business environment with the finalization of the privatization agenda, public administration reform and acceleration of judicial reform and anti-corruption efforts; (ii) increasing the contribution of

labor to growth by addressing skill mismatches through education reform and advancing the flexibility of the labor market; and (iii) deepening integration and supporting innovation.

Objectives of the WBG Strategy:

3. Given Croatia's overarching priority to enter the EU, the main goal of the CPS was to support the completion of Croatia's EU accession process, the rapid convergence of its income level with that of other EU members, and a decent quality of life. To do so, the WBG program aimed at contributing in four areas: (i) sustaining macroeconomic stability; (ii) strengthening private-sector-led growth and accelerating convergence with the EU, (iii) improving the quality and efficiency in the social sectors, and (iv) increasing the sustainability of long-term development. Supporting Croatia's EU accession was a cross-cutting theme. The CPSPR, which was prepared in FY12, the last year of the original CPS period, reaffirmed the objectives of the CPS and maintained the same four pillars.

Relevance of the WBG Strategy:

4. **Congruence with Country Context and Country Program:** There was consistency between the country context, Croatia's EU ambitions, and the Government's programs, and the CPS was well aligned with these programs. The four engagement areas addressed the key issues of the EU accession agenda and mapped well into key country development goals. The WBG demonstrated sufficient flexibility in adjusting its program to support the authorities in response to the adverse effects of the global crisis, and geared the CPS framework to a stronger EU accession focus.

5. **Relevance of Design.** The CPS was designed at a time when EU accession was a key objective for Croatia. Therefore its goal to support the completion of Croatia's EU accession process was appropriate. The choice of instrument was also appropriate to achieve the CPS objectives, except in a few cases where the Bank's interventions were too limited in scope or not sufficiently focused to achieve the expected outcomes (e.g., a reduction in rural/urban disparities, targeting of social benefits). The AAA program was small relative to the lending portfolio, especially in the context of Croatia's high income status, and the planned transition from a focus on projects to knowledge did not lead to more AAA work being delivered in the second half of the CPS period. A joint IBRD-IFC program was planned in a number of areas (e.g., investment climate, infrastructure, climate change), but there was not enough detail, partly due to IFC's business model, to assess whether IFC's program was designed to make a significant contribution to achieving CPS objectives.

6. **Strength of the Results Framework.** The results framework was weak in that it did not clearly articulate the CPS objectives to be achieved during the strategy period in support of the country goals. In some cases, the CPS objectives were rephrasing of the country goals (e.g., strengthened regulatory/supervisory framework for banks and non-banks); in other cases, they were outcome indicators to be used to gauge attainment of the underlying CPS objectives (e.g., improved tax compliance rate from 84 to 87 percent). Most of the outcomes were specific to IBRD lending operations and did not reflect the aggregate contribution of the WBG. In particular, IFC's contribution and IBRD-IFC synergies were not reflected in the results framework. Moreover, the outcome indicators were generally not measurable because they lacked baselines and targets. Consequently, as noted in the CPSCR, there lacked a mechanism to monitor the progress in achieving the CAS program's objectives. The CPSPR introduced substantial changes to the outcome indicators to account for the adjustment to the WBG program, but did not address the fundamental issues with the results framework.

7. **Risk Identification and Mitigation.** The CPS identified three risks (external vulnerability, uneven reform performance, and capacity weakness), but did not propose specific mitigation measures to deal with these risks. The CPSPR reconfirmed the validity of these risks, all of which had materialized to some extent, and highlighted the risks of uneven reform performance and project

implementation risks (due to poor capacity), but mentioned only regular Joint Portfolio Reviews as the instrument for addressing the implementation risks. Although the Bank responded to the global financial crisis with quick-disbursing budget support, the negative impact of uneven reform performance was unmitigated and contributed to the under-achievement of several CPS objectives.

Overview of CPS Implementation:

Lending and Investments:

8. At the beginning of the CPS period, 16 IBRD-financed projects totaling \$1.2 billion were ongoing. During the CPS period, an additional 11 projects were approved for \$1.1 billion, compared to the CPS base case envelop of \$1.0-1.4 billion or the upside scenario of \$1.4-1.8 billion. Nearly half of the CPS financing was for two budget support operations, which were envisaged in the CPS only for the upside scenario to support reforms to promote governance and private sector development. In the event, the DPLs were used to mitigate the impact of the financial crisis. Correspondingly, a number of planned investment loans were dropped as government priorities shifted (disaster risk management, education, and irrigation) and as the Bank decided not to engage in certain sectors (railway and energy). Thirteen trust fund (TF) operations were active at the start of the CPS for a total of \$41.5 million; three new TF projects were approved during the CPS period for \$8.6 million. These activities complemented the on-going IBRD operations.

9. The number of projects at risk oscillated between 1 and 3 (8 and 21 percent) during the CPS period. This was broadly in line with the averages of 12-20 percent of projects at risk in the ECA region. IEG reviewed the completion reports of 14 projects and rated the development outcomes positively in 10 of the projects, including a *highly satisfactory* rating for the GEF project on ecosystem conservation. This shows good results for Bank projects, although at 71 percent, the success rate was lower than the ECA regional average of 79 percent. The Implementation Status Reports rate 76 percent of the 17 projects under implementation (or closed recently) as *satisfactory* or *moderately satisfactory*, slightly better than the success rate in the IEG-rated projects.

10. Nine IFC investment projects were in operation at inception of the CPS period for \$349 million of net commitment. The largest investment was in commercial banking, but three quarters of the investments were in various MAS sectors (e.g., agribusiness, tourism, retail, etc.). During the review period, IFC committed \$174.8 million in six projects (\$143.5 million from partners): manufacturing, wind-power generation, and retail, of which five were in 2012-13. Croatia also received \$100 million of IFC investments in the region. MIGA was not covered under the CPS or CPSPR, but had a large program, underwriting 7 projects with a gross exposure of \$955 million for projects in the banking sector and retail chains.

11. IEG rated a banking project from FY05 as *mostly successful*. IFC supervision data present a mixed picture: investments in banking, agribusiness, and retail have been successful, those in a hotel group and steel pipes have produced poor results, while it is too early to judge investments in wind-power generation, agricultural machinery manufacturing, and branded retail. The regional investment in metal scrap recycling is doing well, but the one in household equipment less so (in restructuring at the moment).

Analytic and Advisory Activities and Services

12. IBRD delivered 6 Economic and Sector Works (ESW) and 4 Technical Assistance (TA) tasks. Although the CPSPR foresaw a transition from a focus on lending to AAA, there was no appreciable change in the pace of knowledge service delivery during the CPS period. These knowledge activities supported the CPS objectives by focusing on key areas of engagement (e.g., fiscal sustainability frameworks, pension reform options, EU convergence, etc.). The policy note on Crisis Impact: Poverty & Labor Markets (FY10) was a timely analysis that provided the authorities with information on the

social effects of the crisis. Overall, however, information on the impact of the AAA is lacking.

13. IFC continued to implement two advisory services projects approved before the CPS period. The projects, which amounted to \$513,552 of IFC managed funds, were completed in FY08 and FY09, respectively, and both were rated positively by IEG PCR reviews. IFC did not add advisory services during the CPS period despite indications in the CPSPR of projects on, and attempts by IFC to offer, PPP advisory in infrastructure. Instead, IFC implemented a few advisory interventions (e.g., clean production audit) for its investment clients.

Partnerships and Development Partner Coordination

14. The European Commission (EC) and IMF were the main partners of the WBG. The IBRD-EC partnership was broad, with the Bank helping prepare Croatia to meet the requirements under different EU acquis chapters. The IMF did not support Croatia financially, but jointly conducted the FSAP update and designed appropriate follow-up.

Safeguards and Fiduciary Issues

15. In the period FY09-FY13, INT recorded more than 15 allegations of fraud and corruption, and found sufficient basis to open 7 cases. One of these was substantiated and referred. IEG is not aware of safeguard issues in the WBG's portfolio.

Overview of Achievement by Objective:

Pillar I: Sustaining macroeconomic stability

16. Under pillar I, the CPS aimed to enhance the efficiency and effectiveness of public finances and strengthen financial sector supervision.

17. **Enhance the efficiency and effectiveness of public finances.** The three CAS targets (fiscal deficit reduced to below 5 percent, tax compliance rate improved to 87 percent, and performance budgeting piloted) were all met, although there is no indication that performance indicators have moved beyond the pilot phase due to lukewarm political commitment to implement performance-oriented budgeting. The recent IMF mission (February 2013) noted the need for further fiscal consolidation as the deficit reached in 2012 (4 percent of GDP) required a structural adjustment of 1½ percentage points of GDP, while public debt remained unsustainable and interest costs were rising rapidly. Long-term fiscal sustainability would require giving greater priority to reforms that lead to fiscal consolidation, such as streamlining spending in social sectors and accelerating the restructuring and privatization of loss-making railways and shipyards. The Bank supported this objective through two DPLs and knowledge services. The Fiscal, Social and Financial Sector DPL (FY10) helped strengthen public finance at the time of the crisis. IEG's ICR review rated the project's development outcome as *satisfactory*, but noted the significant risk to the sustainability of the project outcome as high wage, pension and health care spending was suppressing the needed capital spending for growth. The Economic Recovery DPL series (FY11, FY13) intended to support a short term reform program introduced by the authorities in April 2010, particularly on issues of public spending. The Revenue Administration Modernization Project (FY07) supported institutional reforms of Croatia's Tax Administration.

18. **Strengthen financial sector supervision.** All the measures recommended by the FSAP Update (FY08) - a system for inter-agency coordination on financial crisis preparedness, new risk management rules for credit institutions that comply with Basel II pillars, and upgrading of securities market and investment services supervision to meet Basel II standards - were introduced as prior conditions to the Fiscal, Social, and Financial Sector DPL (FY10). The IMF 2011 Article IV consultation

welcomed the proactive approach of the central bank to ensure effective bank regulation, as well as its plans to introduce gradually counter-cyclical capital buffers in the medium term, when the economic recovery reaches a sustainable path. The IMF 2012 Article IV consultation noted that despite a slow deterioration in asset quality, the largely foreign-owned banking sector was stable, well-capitalized, and resilient to shocks.

19. IEG rates the outcome of WBG assistance under Pillar I as *satisfactory*. Bank support contributed to significant strengthening of the regulatory and supervisory framework for the financial sector and improvement in tax compliance. Some progress seems to have been made on performance-based budgeting, although there is no information on the results of the pilot implementation of such an approach. Following fiscal weakening that reflected a very sharp contraction of economic activities, there was fiscal consolidation in 2012, although more would be needed.

Pillar II: Strengthening private-sector-led growth and accelerating EU convergence

20. Under Pillar II, the CPS aimed to enhance public sector governance, improve the investment climate, align the provision of infrastructure and related services with demand, and promote the commercialization of public sector research and private sector innovation, and increase the share of R&D spending.

21. **Enhance public sector governance.** Good progress was made initially with the support of the Programmatic Adjustment Loan 2 (FY07). However, policy reversals after the change of government in 2008 reduced civil service independence from politics, with the role of national directors downgraded and the position of assistant ministers reinstated as political appointees. Consequently, Croatia's government effectiveness score declined from 0.58 in 2008 to 0.55 in 2011 according to World Bank Governance Indicators, and its percentile ranking fell from 71.4 to 69.2. The CASCR reports that human resource management continued to be strengthened under the Economic Recovery DPL (FY11) through the Law on Amendments to the Civil Service Salaries, which *inter alia* promoted a performance-based remuneration system. Good progress was also made in improving the efficiency in the judiciary (e.g., reducing court case backlog and case processing time, establishing Integrated Case Management System) as required by EU accession demands, although latest ISR of the Justice Sector Support Project (FY10) notes a slowdown in project implementation since mid-2012 mainly due to insufficient project budgetary allocations arising from severe budgetary constraints. In addition to the lending operations, ongoing AAA such as the Justice Sector Public Expenditure and Institutional Review (FY13) and Case Study on Justice and Anticorruption Reform (FY13) is supporting continued justice system improvement.

22. **Improve the investment climate.** Croatia made limited progress in removing the regulatory obstacles for doing business: although the time and cost for business and land registrations were reduced, little was changed in the other areas. Moreover, most of the progress was made before 2011 and Croatia's Ease of Doing Business ranking declined two years in a row during 2011-13. Overall, although key state-owned assets continued to be privatized, the CPS target of increasing the private sector's share of GDP to 80 percent was missed by a wide margin - the CASCR reports that the share reached 70 percent in 2011, although the CPS indicated that it was already at 70 percent in 2008. The main Bank support for this objective was the Economic Recovery DPL (FY11), which helped privatize or liquidate 237 companies. In addition, the Export Finance Intermediation Loan (FY10, FY13) provided financing to 61 export-oriented companies in a seriously constrained environment. According to the 2012 Competitiveness Report of the World Economic Forum, restrictive labor regulations remained one of the most problematic factors for doing business. The Bank's AAA work notes an urgent need to increase incentives for labor participation, lower hiring and dismissal cost, make work hours more flexible, and reduce wage rigidities. However, the Bank's support for labor reforms was postponed with the postponement of the Economic Recovery DPL2 due to difficulties in passing

legislation in the midst of local and European Parliament elections.

23. IFC's investments in retail, commercial bank, and agribusiness/agricultural machinery contributed to the development of the private sector by improving investee companies' competitiveness, facilitating post-privatization restructuring in one of the priority sectors (agribusiness), and signaling an improved investment climate and private sector growth opportunities in Croatia. On the other hand, the CPSCR overstates the effect of IFC's investment in steel pipe manufacturing because the company closed its business in FY12 (IFC got fully repaid). Similarly, the effect of the IFC's regional insurance project is overstated because although the commitment was made more than a year ago, no disbursement from IFC has been made yet.

24. **Align the provision of infrastructure and related services with demand.** The CPS discussed a number of issues related to improving integration into the trans-European networks, the PPP framework and energy generation and transmission capacities. The proposed outcome indicator measured increases in the capacity of seaports through private sector investment. Due to implementation delays in the Bank's projects - the Rijeka Gateway Project (FY04-FY13) and the Trade and Transport Integration Project (FY07) – construction work on the Rijeka and Ploce ports is still in progress. On the positive side, the CPSCR reports that both ports have signed concession agreements with private operators on cost recovery basis.

25. **Promote commercialization of public sector research and private sector innovation, and increase the share of R&D spending.** Commercialization of public research increased. The Science and Technology Project (FY06) (rated *satisfactory* by IEG) helped universities and research institutes establish spillover companies and get licensing agreements and patents. It also supported R&D spending through programs that targeted SMEs. However, the targets of increasing the share of R&D spending in GDP to 1.1 percent and the share of R&D spending by private sector to two thirds were not met (they were at 0.8 percent and 32 percent, respectively).

26. IEG rates the outcome of WBG assistance under Pillar II as *moderately unsatisfactory*. All the objectives under this pillar showed partial achievements. The efficiency of the judiciary improved, but policy reversals led to regressions in public sector reforms. Some progress was made in selected aspects of business environment and privatization slowly moved forward, but the overall doing business reforms were fragmented and the role of the private sector in the economy did not increase. The expected expansion of port capacity was not realized due to significant delays in port construction, although private concessions had been signed. Good progress was made in commercializing R&D, but R&D spending as a share of GDP and the private sector's share in it did not increase.

Pillar III: Improving the quality and efficiency in social sectors

27. Under pillar III the CPS aimed to increase the sustainability and equity of the pension system, improve health efficiency and outcomes, enhance the education system to support a knowledge-based economy, and improve social inclusion and better target social assistance.

28. **Increase the sustainability and equity of the pension system.** The CPS outcome was moderately relevant for assessing the sustainability or equity of the pension system as it focused only on the administrative cost of the second pillar of the system. Although the administrative cost was reduced through a reduction of mandatory pension fund's asset management fee, there is no indication of increased sustainability and equity of the pension system. As noted in the Bank's Policy Notes - Reform Support (FY12), measures taken to reduce privileged pensions and to suspend pension indexation, which were supported by the Bank's Economic Recovery DPL (FY11), were not enough to make the pension system fiscally and socially sustainable in face of worsening demographic trends, low labor participation rates, and overly generous privileged pensions. The

Bank's Pension System Reform Project (FY03-FY09) supported institutional changes to introduce the multi-pillar pension system, but did not deal explicitly with the sustainability and equity of the pension system. The Bank maintained a dialogue with the authorities through AAA work.

29. **Improve health system efficiency and outcomes.** The CPS results matrix provided no metric or target for measuring health spending efficiency or Emergency Medical Services (EMS) effectiveness. Indirect measures suggest some improvement: hospitals are being paid based on services and performance, and an e-prescription system has been put in place that should reduce paperwork for patients, doctors, and pharmacies and allow for more monitoring and control of drug expenditures. Optimization of the hospital network is underway and co-payment exemptions are being streamlined through legislation. Yet, Croatia spends 7.8 percent of GDP on health, which is among the highest for new EU members, and health expenditures are almost entirely publicly funded. The latest IMF mission statement (February 2013) notes that despite the fiscal adjustment achieved in 2012, there were significant overruns in pension/health care spending. With regard to Emergency Medical Services, the latest ISR of the Bank's Development of Emergency Medical Services and Investment Planning Project (FY09) reports considerable progress, with project indicators on field calls, emergency care outcomes, and professional certification of health professionals all met. There is no information on the progress in health outcomes, which as measured by life expectancy at birth and infant mortality are in line with those of high income countries.

30. **Enhance the education system to support a knowledge-based economy.** The outcome sought focused on improvement in student learning as measured by Croatian students' PISA scores vis-à-vis EU average in 2009. By this measure, which largely reflect change in the pre-CPS period, student performance deteriorated. The CASCR reports that scores on a school exit exam (*Matura*) increased during 2010-11 even though the thresholds for passing the exam were raised by 5-8 percent. Some improvement in the education system was also noted: a new national curriculum framework was developed and approved for basic education; a national center for external evaluation was established; the *Matura* exam was introduced for all gymnasiums and Vocational Education and Training students wishing to enroll in tertiary education, etc. The Bank supported this objective through the Education Sector Development Project (FY06-FY12), but the planned Education II project did not materialize.

31. **Improve social inclusion and better target social assistance.** The results framework did not propose any indicators to measure improvement in the efficiency and transparency of social programs. The CASCR reports on the intermediate steps undertaken with Bank support. For example, the Social Welfare Development Project (SWDP, FY05-FY11) helped develop and implement a new social policy planning methodology and a Management Information System software, and introduced a one-stop-office work model in social welfare centers. The Economic Recovery DPL (FY11) supported the enactment of the Social Welfare Law in 2011, which aimed to reduce social exclusion and improve efficiency of the system, including through better targeting. However, it is unclear whether these activities have led to efficiency gains in Croatia's social programs. IEG's ICR review of the SWDP rated its development outcome as *moderately unsatisfactory*, noting that the project did not implement activities intended to improve the targeting of benefits and services. There is no information on the implementation of the Social Welfare Law of 2011.

32. IEG rates the outcome of WBG assistance under Pillar III as *moderately unsatisfactory*. The lack of outcome indicators (with baselines and targets) makes it difficult to assess progress under this pillar. There is indication that Emergency Medical Services and education system improved. However, despite various cost-saving measures undertaken through legislation and ordinances, there is no evidence that the efficiency of health spending improved appreciably and Croatia's health spending remained very high compared to peers. Sustainability of the pension system improved marginally; while student learning did not show improvement as measured by PISA scores. It is not clear whether the intermediate steps taken to improve the efficiency and transparency of social programs have

achieved the intended outcomes.

Pillar IV: Increasing the sustainability of long-term development

33. Under pillar IV the CPS aimed to strengthen environment management and nature protection, prepare for adapting to and mitigating climate change, and reduce regional and rural/urban disparities.

34. **Strengthen environment management and nature protection.** In the CASPR results matrix, the two original quantitative outcome indicators were replaced by three qualitative indicators, each underpinned by a specific Bank lending project. Overall, there appears to be progress in Bank project areas, although the lack of baselines and targets makes it difficult to assess progress against expectations. Under the Inland Waters Project (FY07-FY13), 200,000 people in selected inland municipalities benefited from water and water treatment infrastructure constructed and/or upgraded. Flood retention volume increased by a third. The project also provided TA to improve the financial capacities of the local utilities and helped prepare 8 projects for EU financing. Under the Coastal Cities Pollution Control Project 1 & 2 (FY04-FY10, FY09), notable progress was made in providing efficient and sustainable wastewater services in coastal municipalities, leading to an increase in the population connected to wastewater collection system increased 56 to 68 percent, an increase in treated wastewater increased from 6 to 45 percent, and 98 percent of samples from monitoring areas comply with applicable standard. Finally, under the EU Natura 2000 Integration Project (FY11), progress was made in Ecological Network investments - out of 35 planned investments, seven were completed and nine were in the tendering process, mainly in visitation centers and educational/hike trails, nature parks, etc. There was trust fund financing attached to each of these projects.

35. **Prepare for adapting to and mitigating climate change.** The CPS focused on the implementation of renewable energy incentives framework and scaled-up roll-out of energy efficiency programs. Key legislation and regulatory framework for renewable energy were introduced in July 2007 with support from the GEF Renewable Energy Resources Project (RER, FY05-FY10). However, the development of renewable energy progressed much more slowly than anticipated. Under the RER, five projects of 83 MW capacity were targeted, but only one wind power project with 23 MW capacity reached financial closure by the end of the grant period. Against the target of supplying 3.5 percent of national energy with new renewable from the project, only 0.32 percent was achieved. The CPSCR reports that 37 MW achieved financial closure during the CPS period. IFC invested in two wind-power projects representing about 30 percent of the wind installed capacity in Croatia, although neither is producing energy yet. Progress was moderate in rolling out energy efficiency programs. Under the Energy Efficiency Project (FY04-FY10) and a parallel GEF grant, a core developer of energy efficiency projects was created within Croatia's national power utility, which implemented 31 commercial energy efficiency projects on a for-profit basis with a total cumulative value of \$29.5 million, slightly below the original project estimates. However, the project had limited success with respect to the critical objective of addressing the lack of energy efficiency financing, as it was not able to overcome the rigid collateral requirements imposed by local financiers and banks remained concerned about energy end-user credit risks.

36. **Reduce regional and urban/rural disparities.** The CPS aimed to contribute to this goal by strengthening the local capacity to plan and implement high-quality development projects and by improving agricultural productivity and alignment with EU aquis. However, no indicator was proposed to measure progress in any of these areas. The CASCR reports on achievement of the Social and Economic Recovery Project (FY05-FY11) in disadvantaged areas, including provision of small community infrastructure or grants to SMEs and cooperatives and creation of 1,359 jobs. There is no data on the extent to which these activities helped reduce regional disparities and/or build the capacities of regional and local authorities to manage the expected EU development funds. The Agricultural Acquis Cohesion Project (FY06-FY13), which was supported by a GEF grant, helped Croatia implement institutional changes to meet the EU requirements. There is no information on

changes in agricultural productivity and no indication that the Bank contributed to agricultural productivity.

37. IEG rates the outcome of WBG assistance under Pillar IV as *moderately satisfactory*. The Bank contributed to improved environmental management and nature protection, as well as the slow progress of developing renewable energy and improving energy efficiency. While its interventions helped disadvantaged communities, there is no information on their impact on regional or urban/rural disparities or the capacity of regional/local authorities for managing development projects. Support in agriculture was helpful for meeting EU requirements, but its effects on agricultural productivity are unclear.

Objectives	IEG Rating
Pillar I: Sustaining macroeconomic stability	<i>Satisfactory</i>
Pillar II: Strengthening private-sector-led growth and accelerating EU convergence	<i>Moderately Unsatisfactory</i>
Pillar III: Improving the quality and efficiency in social sectors	<i>Moderately Unsatisfactory</i>
Pillar IV: Increasing sustainability of long-term development	<i>Moderately Satisfactory</i>

4. Overall IEG Assessment

	CPSCR Rating	IEG Rating
Overall Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>

Overall outcome:

38. IEG rates the overall outcome of the CPS as *moderately satisfactory*, concurring with the CPSCR. Bank support contributed to significant strengthening of the regulatory and supervisory framework for the financial sector and to improvement in tax compliance. Fiscal consolidation in 2012 helped meet the deficit target, and there was some progress in piloting performance-based budgeting, although the results of the pilots are unknown. The Bank also contributed to improvement in environmental management and nature protection, as well as expansion of energy efficiency programs and the slow (below expectation) development of renewable energy. Progress was made in improving Emergency Medical Services and some aspects of the pension system, although there is no evidence for enhanced efficiency of health spending or strengthened sustainability of the pension system. The efficiency of the judiciary improved, but policy reversals led to lapses in public sector reforms. There was greater commercialization of R&D, but the expected increase in R&D spending and the private sector's share in it did not materialize. Certain aspects of the business environment improved and privatization slowly moved forward, but the role of the private sector in the economy did not increase. Although private concessions were signed, port capacity did not expand as much as expected due to construction delays. Some initiatives were undertaken to improve the education system, but data on student learning are inconclusive. The Bank's interventions helped disadvantaged communities, but their impact on regional and urban/rural disparities or the capacity of regional/local authorities is unknown. The Bank's support in agriculture was helpful for meeting EU requirements, but its effects on agricultural productivity are unclear. Also unclear is whether the intermediate steps undertaken to improve the efficiency and transparency of social programs have achieved the intended outcomes.

WBG Performance:

39. IEG rates the WBG performance as *moderately satisfactory* concurring with the CPSCR. The broad CPS objectives were consistent with Croatia's ambitions and well aligned with the country's own

development programs. The choice of engagement areas supported the overall CPS objectives, while the choice of instruments was generally appropriate for contributing to the relevant country goals, although the lack of clearly articulated CPS objectives in some instances makes it difficult to determine whether the proposed interventions would be able to bring about the expected outcomes. Indeed, the various deficiencies of the results framework denied the country team an implementation management tool to monitor progress and assess achievement. The AAA program was well designed, but very small relative to the lending portfolio and there was no appreciable shift of focus from projects to knowledge services. Supervision was adequate and portfolio performance was on par with regional average. The WBG demonstrated sufficient flexibility in adjusting its program to changing country circumstances and updating the results framework accordingly (although not addressing the initial deficiencies). The Bank appears to have coordinated well with its main partners (EU and IMF), but there is no information on IBRD-IFC collaboration. Overall, IFC investments contributed to the competitiveness agenda by helping domestic investee companies improve their operations. However, the planned IFC advisory services did not happen, and IFC's contribution to the CPS objectives was not captured by the results framework.

5. Assessment of CAS/CPS Completion Report

40. The CPSCR provides a candid analysis of CPS implementation. Although the strategy was jointly implemented by IBRD and IFC, the coverage of IFC program was limited and the analysis less rigorous than IBRD. For example it does not discuss IFC contributions or the synergy between the two institutions in its assessment of CAS outcomes. Moreover, the analysis is mostly about the results of specific IBRD lending projects rather than the achievement of CAS outcomes, in part because the results framework did not lay out clearly what the targeted outcomes were. The confused results matrix makes it difficult to assess the success of the CPS.

6. Findings and Lessons

41. IEG concurs with the CPSPR lessons. In particular, IEG agrees that monitoring and evaluation of the attainment of specific CPS objectives, rather than deliverables, would be beneficial in assessing the WBG program's contribution to country goals. Moreover, existing capacity constraints for policy implementation would be exacerbated by the need to absorb the expected quantum leap in available EU funds. It is therefore important for the WBG to devote greater attention to capacity building, through non-lending TA for example, to help Croatia use EU funds and other resources effectively.

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Annex Table 1: Summary of Achievements of the CPS objectives

	CPS FY09-FY12: Pillar I Sustain Macroeconomic Stability	Actual Results (as of current month/year)
	1. Enhance the Efficiency and Effectiveness of Public Finances	
<u>Major Outcome Measures</u>	Further fiscal consolidation as per the government's program to bring the general government deficit to below 5 percent of GDP in 2012. ¹	Government deficit—overall balance as percent of GDP: 2007 -2.1 2008 -1.3 2009 -4.1 2010 -5.1 2011 -5.2 2012 -4.0
	Improve tax compliance rate from 84 percent in 2007 to 87 percent in 2011.	Tax compliance in 2011 89 percent in 2011.
	Improve program budgeting and pilot performance budgeting.	2008 Organic Budget Law introduced medium-term performance budgeting – now in implementation for the third year, supported through Performance-Based Budgeting AAA.
	2. Strengthen financial sector supervision	
	Strengthen regulatory/supervisory framework for banks and non-banks and improve financial stability	Supervisory frameworks for banking and non-banking institutions aligned with Basel II through implementation of Credit Institutions Act, Capital Market Act and Consumer Credits Act. Mandatory corporate governance codes for all listed companies introduced through the Capital Market Act

¹ This was a revised CPS outcome at time of CPS progress report. The original expected CPS outcome was “Further fiscal consolidation as per the government’s program to reduce the general government deficit from 2.3 percent of GDP towards balanced budget by 2010-11.”

	CPS FY09-12: Pillar II Strengthen Private-Sector- Led Growth and Accelerate Convergence	Actual Results (as of current month/year)	Comments
	1. Enhance Public Sector Governance		
	Improve government effectiveness as measured by WB Governance Indicators from 70 percent in 2006 to over 75 percent in 2011.	World Bank Governance index to 71.4 in 2008 but declined to 69.2 in 2011 mainly as a result of reversal related to depoliticization of civil service.	Government effectiveness P-Rank for 2011 is 69 and 70 for 2010. Source: CPSCR and WGI Governance Effectiveness Rank from 07-11 2007 -- 68 2008 -- 71 2009 -- 71 2010 -- 70 2011 -- 69
	Depoliticize the civil service.	<ul style="list-style-type: none"> • New government abolished this reform and retracted the posts of directors, downgraded their positions to sector heads, while re-instituting the position of assistant ministers as political appointees. • The government is currently harmonizing the salary system across all administrative bodies in public administration. 	Source: CPSCR
Major Outcome Measures	Improve the efficiency of the judiciary as evidenced by independently verifiable performance indicators, including a steady reduction in court case backlogs.	Case backlog reduced by 23 percent between 2006 and 2009 to 800,000 cases. Approximately 40% of reduction in case backlog is in Zagreb that accounts for the largest share of backlog. By 2010, backlog in land registry—part of the aggregate backlog—reduced by 80 percent. Case backlog for 74 ² courts monitored under JSSP continues to decrease and went down from 384,038 in 2009 to 369,090 in September 2012. The EC's October 2012 Monitoring Report indicates that in the first semester 2012 the backlog of criminal cases continued to fall by 12 percent, while the March 2013 report affirmed that during 2012 the courts overall managed to resolve more cases than the influx.	Croatia has continued to implement various measures aiming at improving the efficiency of the judiciary. In the first semester 2012 the backlog of criminal cases continued to fall by around 12%, and the number of old civil cases decreased by around 5%. However, a bigger effort is needed to reduce the number of unresolved civil and commercial cases further. Slightly more new cases entered the system in the first semester 2012 (844,218) than were resolved (836,160) ² . Source: EC - comprehensive monitoring report on Croatia page 34
	2. Improve the Investment Climate		
	Increase the private sector share in GDP toward 80 percent through continued privatization of the CPF portfolio and accelerate removal of regulatory obstacles and reduce the cost of doing business.	Private sector share in GDP increased from 60% in 2006 to 70 percent of GDP in 2011. 237 companies were either sold or liquidated (August 2012) under the ERDPL. State-owned shipyards privatized in 2013. <ul style="list-style-type: none"> • 2013 Cost of Doing Business: Croatia ranked 84 among 185 countries in 2012, 4 places down compared to 2011. • Under ILAS, continuous reduction of 	Source: CPSCR Source: Doing Business Report Database: Slipped by 4 ranks from 2012 (Rank 80) and 2013 (Rank 84)

² 74 courts monitored include 13 commercial, 40 municipal and 21 county courts.

	CPS FY09-12: Pillar II Strengthen Private-Sector- Led Growth and Accelerate Convergence	Actual Results (as of current month/year)	Comments
		<p>transaction processing time in land registry and cadastre offices, and reduction of cadastre and land registry backlog contributing to reduced cost of doing business.</p> <ul style="list-style-type: none"> In spite of the good progress in reducing the cost of doing business under both projects, these reforms still remain fragmented and need to be reinforced by increasing the predictability and transparency of procedures and regulation, as well as rule of law. Tax compliance cost: stands at 0.2% of total taxpayers' revenues in 2010 (baseline). 	
	<p>3. Align with Demand the Provision of Infrastructure and Related Services</p> <p>Increase the capacity of the Rijeka and Ploce Ports with significant private sector investment.³</p>	<ul style="list-style-type: none"> Under two Rijeka Gateway Projects, Rijeka Container Terminals: physical expansion under way under Brajdica Container Terminal will increase the capacity for container traffic from currently 150,000 TEU to 300,000 TEU by June 2013. A five-year contract for a scaled up Zagreb Container terminal has been signed in April 2012, following a complex design and build procurement process, which took more than two years, thus significantly delaying the start of construction works. Ploce Container Terminal opened for operation in 2011 with initial capacity of 66,000 TEU, supported under TTI. The port capacity will further increase with the construction of Bulk Cargo Terminal that started in April 2012, and will accommodate for 4.6 million tons in capacity and for up to 180,000 dwt. Target is not fully achieved because of implementation delays related to prolonged procurement, including preparation of technical documentation and delayed issuing of permits. Port concession agreements: Extension of Rijeka's Brajdica Container Terminal is underway with majority ownership transferred to international private operator against \$38 million of private capital, resulting in increased productivity. Two concession agreements signed for new terminals in Ploce in 2010; all concessions on cost recovery basis. 	<p>ISR Baseline container traffic states 145 in 12/31/2007 and currently 151 as of 12/31/11</p>
	<p>Promote the commercialization of</p>	<ul style="list-style-type: none"> 69 contracts between R&D institutions and 	<p>Source: CPSPR</p>

³ This was a revised CPS outcome at time of CPS progress report. The original expected CPS outcome was "Increase the capacity of the Rijeka and Ploce Ports with revenues increasing from \$80 million in 2007 to \$115 million in 2012 by addressing critical port capacity constraints with significant private sector investments.

	CPS FY09-12: Pillar II Strengthen Private-Sector- Led Growth and Accelerate Convergence	Actual Results (as of current month/year)	Comments
	public research results, generate more private sector innovation, and increase the share of R&D spending by the private sector from the current one-third of the total toward the Lisbon agenda target of two-thirds.	<p>industry (2011) from 2 in 2006 (target of 30); 59 license agreements, spillovers and patents cumulative (2011) from none in 2006 (target of 30); €13M private R&D mobilized for innovation projects (2011) from €6M in 2006; between 2006 and 2008, the share of Croatian SMEs with new or improved products (EU Community Innovation Survey) increased from 7.2 to 10.8 percent.</p> <ul style="list-style-type: none"> Private sector R&D spending went from 27 percent in 2006 (Eurostat) to 32 percent in 2010. Under STP, BICRO R&D programs directly supported 89 SMEs, for projects of over €38 million, of which 30 to 50 percent provided by SMEs. STP also helped mitigate the effect of the crisis that hit Croatia in 2009 and reallocated more funds towards innovative SMEs. 	
	Research and development spending as a share of GDP to increase to 1.1 percent by 2012.	R&D spending as a share of GDP remains 0.8 percent due to fiscal consolidation efforts.	Source: CPSCR

	CPS FY09-12 Pillar III: Improve the Quality and Efficiency of Social Sector Spending	Actual Results (as of current month/year)	Comments															
<p><u>Major Outcome Measures</u></p>	<p>1. Increase the sustainability and equity of the pension system</p> <p>Reduce the administrative cost of the pension fund.</p>	<ul style="list-style-type: none"> Administrative costs of second pillar reduced in 2010 and 2011 through a reduction of mandatory pension funds' asset management fee from 0.75 percent to 0.65 percent and further to 0.45 percent, while in 2011 the government imposed a flat account management fee for REGOS onto pension fund management companies. Privileged pensions were reduced by 20 percent, privileged pensions for government officials abolished and rationalized for military employees. Early retirement decrement doubled except for beneficiaries with more than 40 years of service. 	<p>Source: CPSCR</p>															
	<p>2. Improve health system efficiency and outcomes</p> <p>Improve the efficiency of health spending and the effectiveness of the EMS system</p>	<ul style="list-style-type: none"> Co-payment exemptions streamlined through legislation. Hospital network rationalization carried out in Zagreb. Central procurement for hospitals and e-health services introduced under the ERDPL. From 2005 to 2010, the shares of pharmaceuticals in HZZO's mandatory insurance-related care expenditures each decreased from 21 to 19 percent though the number of prescriptions increased by 69.3 percent. Improved effectiveness of EMS through an overhaul of EMS system including separation of 	<p>Human Development Index (WEF—Competitiveness Report)</p> <table border="1"> <thead> <tr> <th></th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td></td> <td>0.76</td> <td>0.77</td> <td>0.77</td> <td>0.77</td> <td>0.80</td> </tr> </tbody> </table>						2007	2008	2009	2010	2011		0.76	0.77	0.77	0.77
	2007	2008	2009	2010	2011													
	0.76	0.77	0.77	0.77	0.80													

	CPS FY09-12 Pillar III: Improve the Quality and Efficiency of Social Sector Spending	Actual Results (as of current month/year)	Comments										
		<p>pre-hospital EMS from primary health care, new national EMS system management, standardized dispatchers protocols, and massive training of staff in EMS system - with response time for EMS interventions at the scene reduced from 17 to 12 minutes in 2012; emergency field calls as percentage of total field calls increased from 9.7 percent in 2005 to 100 percent in 2011; improved coverage of EMS across Croatia due to redistribution of teams from earlier uneven coverage, reflected in reduction of variation of EMS teams per capita by regions by 20 percent in 2011</p>											
3. Enhance the education system to support a knowledge-based economy													
	<p>Improve student learning and system performance with performance of Croatian pupils remaining at least at PISA 2009 level compared with EU average</p>	<ul style="list-style-type: none"> • Decreased scores of 2009 PISA compared to 2006: in math (467 to 460), reading (477 to 476) and science (493 to 486). • <i>Matura</i>, a school exit exam, saw the scores improving between 2010 and 2011 in math (from 50.8 to 55.1%) and Croatian language (from 70.7 to 71.7%) despite of increase of exam-passing thresholds by 5-8 percent. • System performance improved with new national curriculum framework for pre-school, primary and secondary education developed and approved; establishment of national center for external evaluation and successful introduction of <i>Matura</i> exam for all 	<p>Source: CPSCR.</p> <p>Primary School Enrollment from 2006-2010 trend</p> <table border="1" data-bbox="797 1482 1393 1556"> <thead> <tr> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>98.51</td> <td>97.75</td> <td>95.23</td> <td>93.48</td> <td>93.02</td> </tr> </tbody> </table> <p>Source: DDP</p>	2006	2007	2008	2009	2010	98.51	97.75	95.23	93.48	93.02
2006	2007	2008	2009	2010									
98.51	97.75	95.23	93.48	93.02									

	CPS FY09-12 Pillar III: Improve the Quality and Efficiency of Social Sector Spending	Actual Results (as of current month/year)	Comments
		<p>gymnasium and VET students wanting to enroll in tertiary education, introduction of integrated information system and new management and leadership training for school principals, as well as reduction in VET programs from 300 (2005) to 197 (2010), slightly below target of 190.</p>	
<p>4. Improve social inclusion and target social assistance better</p>			
	<p>Improve the efficiency and transparency of social programs</p>	<ul style="list-style-type: none"> • Management Information System (MIS) software for social welfare initially piloted in three counties and then withdrawn. New Government has adjusted and upgraded the MIS and it is currently used in all 12 social welfare centers in Zagreb, with a plan to roll out the system countrywide starting in June 2013. Data exchange between Zagreb social welfare centers and Tax Administration is fully in place. • Social workers' time spent on direct work with clients significantly increased, from 30 percent in 2005 to 65 percent in 2007 (survey) as a result of the introduction of one-stop-office work model in centers for social welfare. • Social Welfare Reform Strategy 2011-2016 and the Social Welfare Law enacted in 2011 aimed to reduce social exclusion and improve system efficiency, including through better targeting of benefits. The law linked the Guaranteed Minimum 	

	CPS FY09-12 Pillar III: Improve the Quality and Efficiency of Social Sector Spending	Actual Results (as of current month/year)	Comments
		Income to the poverty line as calculated by the Bureau of Statistics, so that the eligibility threshold of relative poverty is indexed and functions as automatic stabilizer.	

	CPS FY09-12 Pillar IV: Increase the Sustainability of Long-Term Development	Actual Results (as of current month/year)	Comments
<u>Major Outcome Measures</u>	1. Strengthen environment management and nature protection		
	<p>Improve water supply and wastewater services and flood protection measures in Croatia's inland municipalities.</p>	<ul style="list-style-type: none"> Infrastructure in water and wastewater services has been constructed and/or upgraded through constructing of wastewater and water treatment plants, pumping stations, water reservoirs, and supply/collection pipelines thus ensuring the main conditions for increasing the number of population receiving reliable water and wastewater services. While a certain portion of the population has already been connected to the network, in some municipalities the secondary network is still under way. Retention volume for flood protection increased from 600M m³ in 2008 to 800M m³ in May 2012, safeguarding the population and property in Sava River Basin. APCP April 2012 survey (785 farmers): 94 percent of farmers have adopted at least one of preventive measures like organic manure usage, proper manure storage, three year crop rotation, or similar - thus contributing to reducing water nutrient discharge – up from 35 percent of farmers in 2009. 	<p>Source: CPSCR</p> <p>ISR seq 12:: Original target before restructuring was 90% and actual percentage of satisfied with the services is 80%</p> <p>Flood Protection: ISR Baseline 600M m³ Actual is 800M m³ on closing</p>
	<p>Maintain the quality of Croatia's coastal waters to meet applicable EU and national standards in participating municipalities</p>	<p>Quality of coastal waters participating municipalities is maintained as indicated by 98 percent of samples from monitoring bathing and shellfish areas complying with EU standard. Seawater quality monitoring was established under CCPCP. Coastal water pollution in the Adriatic Sea adjacent to the participating cities was reduced, as indicated from the increase in the percentage of wastewater produced in coastal municipalities that is treated and disposed of in line with EU and Croatia requirements from 6 percent to 45 percent. The number of population in participating cities able to connect to a wastewater collection system went from 56 to 68 percent, meaning that in total 220,000 people directly benefited from the project.</p>	<p>Source: CPSCR.</p>
	<p>Increase annual capital and other investment expenditure across the parks estate</p>	<p>Annual capital and other investments across the park estate increased by 9 percent from 2010 to 2011, under EU Natura project. There are 15 infrastructure and two research project proposals under preparation for submission to the pipeline for EU Structural Funds for programming period of 2014-20 in the value of EUR42 million – with one project already for financing</p>	<p>Source: CPSCR</p>
	2. Improve natural disaster management		
	<p>Increase coverage in precise weather event now-forecasting (from 30 percent to 80 percent of the territory) and reduce response time to disasters and emergencies</p>	<p>This indicator was dropped at progress report stage because project did not materialize</p>	

CPS FY09-12 Pillar IV: Increase the Sustainability of Long-Term Development	Actual Results (as of current month/year)	Comments
3. Prepare for adapting to and mitigating climate change		
Increase irrigated farming area (from 9000 ha)	This indicator was dropped at progress report stage because project did not materialize	
Implement framework with incentives for provision of renewable energy and scale-up roll-out of programs for energy efficiency	<ul style="list-style-type: none"> • Framework for RE incentives implemented under the RER project, incl. legislation and EU compliant regulatory setting - new Energy Law, secondary legislation for feed-in tariffs, RE Advisory Facility with RER Registry to help build pipeline and finance pre-feasibility studies, and RE grid integration. • Renewable energy projects for 70 MW capacity ready (2013), of which 37 MW achieved financial closure – with two projects constructed and one under construction; the remainder of projects are on track to reach financial closure in 2013. • Under Energy Efficiency Project, HEP ESCO financed energy efficiency investments totaled US\$33.8 million in December 2011 	Source: CPSCR, project supervision reports, and ICRs.
4. Reduce regional and urban-rural disparities		
Establish capacity to develop a pipeline of high-quality regional and municipal-level	405 projects completed under SERP: 125 for social inclusion (target 120); 69 for small community infrastructure (target was 60); and 211 in support of SMEs, crafts and cooperatives (target was 240) benefitting 84,000 people residing in areas of special state concern; 1,359 new jobs were created and €11 million in additional revenue was generated by the SMEs.	Source: CPSCR Small community infrastructure subprojects completed: Baseline: 0 Actual 67 Number of SME/ Coop grants successfully implemented: Baseline 0 Actual 211 and end target report on ISR is 240
Improve agriculture productivity and further the alignment with the EU <i>acquis</i>	<ul style="list-style-type: none"> • Alignment with EU's agricultural <i>acquis</i>: EU October 2011 Progress Report assessed that Croatia overall made good progress in aligning its agriculture and rural development sector (EU chapter 11) with the EU <i>acquis</i>, and implementing food safety <i>acquis</i> transposition (chapter 12). Under AACP, the capacity of the EU Paying Agency was developed, the land parcel information system was built as part of the integrated administration and control system, and the line ministry's information management systems enhanced. The capacity of the Croatian Food Agency was built and its staff trained to apply EU <i>acquis</i> procedures. • Difficult to assess status of agricultural productivity—unclear what intervention would improve it. 	

Annex Table 2: Planned and Actual Lending

Project ID	Project name	Proposed FY	Approval FY	Proposed Amount	Approved Amount	Outcome Rating
Project Planned Under CPS / CPSPR 2009-11						
P104749	Judicial Reform (Justice Sector Support)	FY09	FY10	35	36	LIR: S
P086669	Dev. of Emergency Medical Services (DEMSIP)	FY09	FY09	27	28	LIR: S
P102365	Rijeka Gateway II	FY09	FY09	130	123	LIR: MU
P102732	Coastal Cities Pollution Control II	FY09	FY09	90	88	LIR: MU
P109603	Disaster Risk Management	FY09	Dropped	48		
	Education II (or additional financing)	FY10	Dropped	100		
P118260	Port Development (or additional financing)	FY10	FY12	70	67	LIR: MS
P112732	Climate Adaptation/irrigation	FY10	Dropped	100		
P111205	Nature Protection	FY10	FY11	30	29	LIR: S
P122221	DPL (ERDPL) - Economic Recovery DPL	FY11	2011		213	LIR: S
	Railway Developments	FY11	Dropped			
	Energy Generation or Transmission	FY11	Dropped			
Total				630	583	
Unplanned						
P122219	INTEGRATED LAND ADMIN SYSTEM		FY12	24	24	LIR: S
P116080	EXPORT FIL (Finance Intermediary Loan)	FY10	FY10	141	141	LIR: S
P117665	Fiscal, Social and Financial Sector DPL	FY10	FY10	Closed	297	LIR: S
P129220	EFIL AF (Export Finance Intermediary Loan Addtl Financing)	2013	Active		61	
Total				165	523	
On-going						
		Approval FY	Closing FY			
P063546	PENSION SYS INVST	2003	2009		27	IEG: MS
P043195	RIJEKA GATEWAY	2004	2013		157	LIR: MU
P065416	COASTAL CITIES POLLUTION CONTROL (APL#1)	2004	2010		48	IEG: MS
P079978	ENERGY EFF	2004	2010		5	IEG: MS
P069937	SOC WELF DEVT	2005	2011		40	IEG: MU
P076730	SOC & ECON REC	2005	2011		46	IEG: MS
P091715	AGRIC ACQUIS COHESION	2006	2013		30	LIR: S
P086671	EDUC SECTOR DEV PROGRAM (CRL)	2006	2012		85	LIR: MU
P080258	HR Science & Technology	2006	2011		40	IEG: S
P095389	DISTRICT HEATING	2006	2010		30	IEG: MU
P082278	PAL	2006	2006		185	IEG: MS
P105238	GATEWAY(ADDTL FNCG)	2007	Active		48	LIR: MU
P093767	TRADE & TRANS INTEG	2007	2014		75	LIR: MS
P098948	INLAND WATERS PROJECT	2007	2013		133	LIR: S
P102778	REVENUE ADMIN MODERN (RAMP)	2007	2013		68	LIR: MS
P094341	PAL 2	2007	2009		197	
Total					1,214	

* LIR: Latest internal rating. U: Unsatisfactory. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

Source: Belarus CAS, CASPR and WB Business Warehouse Table 2a.1, 2a.4 and 2a.7 as of 04/24/2013

Annex Table 3: Planned and Actual Analytical and Advisory Work for Croatia, FY08-to present

Proj ID	Economic and Sector Work	Fiscal year	Output Type
P106955	FSAP update Croatia	FY08	Report
P107939	EU Convergence Report	FY09	Report
P114818	Croatia Safeguards UCS pilot	FY11	Report
P117634	Crisis Impact: Poverty & Labor Markets	FY10	Policy Note
P122054	Justice Sector Public Expdr & Instnl Rvw	FY13	Report
P127664	Policy Notes for Incoming Government	FY12	Policy Note
Proj ID	Technical Assistance	Fiscal year	Output Type
P093774	ENV TA	FY07	Knowledge-Sharing Forum
P105230	FSAP UPDATE PREPARATION TA -CROATIA (SA)	FY07	Institutional Development Plan
P110594	SOLID WASTE PVT. SECT. INVOLVEMENT	FY09	Knowledge-Sharing Forum
P123067	Policy Notes - Reform Support	FY12	"How-To" Guidance

Source: BW Table 1.4 ESW/TA Deliveries & Pipeline by Fiscal Year as of 04/24/2013

Annex Table 4: Croatia Grants and Trust Funds Active in FY08-Present (in US\$ million)

Project ID	Project	TF	Approval FY	Closing FY	Approved Amount
P098948	Inland Waters Project	TF 56572	2007	2008	500,000
P106986	Croatia Stat Master Plan Support	TF 55789	2006	2008	89,750
P065416	Coastal Cities Pollution Control Project (APL#1)	TF 54882	2006	2008	2,461,674
P042014	Karst Ecosystem Conservation GEF Project	TF 50539	2002	2008	5,070,000
P094341	Croatia Programmatic Adjustment Loan 2 (PAL2)	TF 56514	2006	2009	1,158,380
P069937	Social Welfare Development Project	TF 56237	2006	2009	2,006,251
P067149	Real Property Registration & Cadastre Project	TF 55104	2006	2009	5,286,488
P067149	Real Property Registration & Cadastre Project	TF 52657	2005	2009	2,382,086
P071464	Renewable Energy Resources Project	TF 54973	2006	2010	5,500,000
P071461	CROATIA - ENERGY EFFICIENCY PROJECT (GEF)	TF 52141	2004	2010	7,000,000
P103780	IDF-Enhancing Corporate Financial Reporting in Croatia	TF 90642	2008	2011	260,000
P100639	Agricultural Pollution Control Project	TF 90845	2008	2013	5,000,000
P091715	Agricultural Acquis Cohesion Project	TF 56498	2006	2013	4,750,060
P131562	Croatia: SAFE Trust Fund for Modernizing Treasury Systems in Croatia	TF 12382	2013	2014	202,608
P102395	Second Coastal Cities Pollution Control Project	TF 92704	2009	2015	6,400,000
P084608	Neretva and Trebisnjica River Basin Management Project (BiH/Croatia)	TF 91967	2009	2015	2,000,000

Source: World Bank Client Connection as of April 24, 2013

Annex Table 5: IEG Project Ratings for Croatia, FY08-Present

Exit FY	Proj ID		Total Evaluated (\$M)	IEG Outcome	IEG Risk to DO Rating
2008	P042014	KARST ECOSYS CONSV (GEF)	-	HIGHLY SATISFACTORY	NEGLIGIBLE TO LOW
2008	P043444	MUN ENV INFRA	38.40	MODERATELY SATISFACTORY	MODERATE
2009	P063546	PENSION SYS INVST	21.22	MODERATELY SATISFACTORY	NEGLIGIBLE TO LOW
2009	P094341	PAL 2	154.29	MODERATELY SATISFACTORY	MODERATE
2010	P065416	COASTAL CITIES POLLUTION CONTROL (APL#1)	53.76	MODERATELY SATISFACTORY	MODERATE
2010	P067149	REAL PROP REG & CADASTRE	34.09	SATISFACTORY	NEGLIGIBLE TO LOW
2010	P071464	RENEW ENERGY RES (GEF)	-	MODERATELY UNSATISFACTORY	SIGNIFICANT
2010	P079978	ENERGY EFF	5.84	MODERATELY SATISFACTORY	MODERATE
2010	P095389	DISTRICT HEATING	33.30	MODERATELY UNSATISFACTORY	SIGNIFICANT
2010	P117665	Fiscal, Social and Financial Sector DPL	271.23	SATISFACTORY	SIGNIFICANT
2011	P069937	SOC WELF DEVT	43.71	MODERATELY UNSATISFACTORY	NEGLIGIBLE TO LOW
2011	P076730	SOC & ECON REC	47.85	MODERATELY SATISFACTORY	MODERATE
2011	P080258	HR Science & Technology	41.59	SATISFACTORY	SIGNIFICANT
2012	P086671	EDUC SECTOR DEV PROGRAM (CRL)	89.55	MODERATELY UNSATISFACTORY	MODERATE

Source: BW Key IEG Ratings as of 04/24/13

Annex Table 6: Project Ratings for Croatia and Comparators, FY08-12

Exit FY	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Croatia	834.8	14	80.0	71.4	58.5	71.4
ECA	12,972.1	186	86.7	79.1	68.6	62.6
World	70,976.2	933	82.8	71.3	66.7	54.6

Source: WB Business Warehouse as of 04/10/23

With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 7: Portfolio Status for Croatia and Comparators FY08-FY12

Fiscal year	2008	2009	2010	2011	2012
Croatia					
# Proj	16	17	14	12	12
# Proj At Risk	2	2	3	1	1
% Proj At Risk	12.5	11.8	21.4	8.3	8.3
Net Comm Amt	1,062.7	1,082.7	1,134.4	1,007.9	1,013.6
Comm At Risk	265.4	163.2	186.9	28.3	23.8
% Commit at Risk	25.0	15.1	16.5	2.8	2.3
ECA					
# Proj	303	287	276	251	209
# Proj At Risk	38	52	50	40	42
% Proj At Risk	12.5	18.1	18.1	15.9	20.1
Net Comm Amt	17,966.1	21,383.2	24,340.5	22,535.4	22,957.9
Comm At Risk	2,257.0	3,460.2	4,357.1	2,116.9	2,652.6
% Commit at Risk	12.6	16.2	17.9	9.4	11.6
World					
# Proj	1,525	1,552	1,590	1,595	1,500
# Proj At Risk	276	344	366	337	333
% Proj At Risk	18.1	22.2	23.0	21.1	22.2
Net Comm Amt	106,761.7	131,076.4	158,287.4	168,248.7	168,407.7
Comm At Risk	18,428.2	19,929.9	28,186.1	22,978.5	23,723.1
% Commit at Risk	17.3	15.2	17.8	13.7	14.1

Source: BW Table 3a.4 as of 04/24/13

Annex Table 8: Net Disbursements and Charges Report for Croatia, FY08-12 (in US\$)

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY2008	249,149,286	109,886,484	139,262,801	56,707,434	1,805,346	80,750,021
FY2009	140,826,086	126,348,701	14,477,386	57,559,959	2,542,331	-45,624,903
FY2010	446,813,979	135,322,625	311,491,354	23,036,026	2,576,144	285,879,184
FY2011	386,406,923	157,277,257	229,129,667	22,763,800	1,438,603	204,927,263
FY2012	127,096,233	151,159,938	-24,063,705	34,194,087	697,091	-58,954,882
Report Total	1,350,292,507	679,995,004	670,297,503	194,261,306	9,059,514	466,976,683

Source: Client Connection as of 04/11/13

Annex Table 9: Total Net Disbursements of Official Development Assistance and Official Aid for Croatia (in US\$ Million)

Development Partners	2006	2007	2008	2009	2010	Total 2006-2010
Australia	..	0.8	0.0	0.0	0.0	0.9
Austria	6.3	8.8	9.2	5.4	5.7	35.3
Belgium	1.7	0.5	0.3	0.0	0.0	2.6
Canada	0.4	0.3	0.2	0.1	..	1.0
Denmark	0.6	1.1	0.8	1.2	0.5	4.2
Finland	0.0	0.1	0.5	0.4	0.4	1.4
France	3.4	3.2	4.3	4.0	3.8	18.7
Germany	6.9	7.5	21.2	12.6	22.5	70.7
Greece	0.1	0.2	0.2	0.3	0.2	1.1
Italy	-3.9	-3.2	-3.6	-1.7	-1.6	-14.0
Japan	-0.1	0.2	0.0	-0.7	1.9	1.4
Korea	0.1	..	-1.1	-1.9	-2.1	-5.1
Netherlands	0.0	0.1	0.1	0.2	0.2	0.7
Norway	14.9	6.9	4.2	3.6	3.5	33.2
Portugal	0.1	0.1	0.1	0.1	0.0	0.4
Spain	1.2	..	0.9	0.7	0.4	3.3
Sweden	5.1	6.1	2.7	0.7	0.1	14.7
Switzerland	0.1	0.1	0.1	0.1	0.1	0.5
United Kingdom	0.3	1.1	1.4	1.9	1.1	5.7
United States	30.9	21.1	7.4	3.7	0.2	63.4
DAC Countries, Total	68.2	55.1	49.2	30.7	36.9	240.1
EBRD	0.1	0.2	0.3	..	..	0.5
EU Institutions	121.7	100.9	181.1	129.9	105.4	639.0
GEF	7.3	..	0.5	..	..	7.8
Global Fund	1.6	0.0	..	..	..	1.6
IAEA	0.4	0.7	0.3	0.4	0.4	2.1
OSCE	..	..	..	..	1.8	1.8
UNAIDS	0.1	0.2	0.1	0.1	0.1	0.5
UNDP	0.9	1.0	1.5	1.3	0.9	5.6
UNHCR	1.4	1.8	2.1	1.2	0.2	6.7
UNICEF	0.3	0.3	0.4	0.3	0.4	1.7
UNTA	0.7	1.1	0.6	..	..	2.4
Multilateral, Total	134.3	106.1	186.9	133.2	109.2	669.7
Czech Republic	0.5	0.4	0.5	0.4	0.4	2.1
Estonia	0.0	..	..	..	..	0.0
Hungary	0.0	0.4	0.2	0.5	0.4	1.5
Israel	0.0	0.0	0.0	0.0	0.0	0.1
Latvia	..	0.0	..	..	..	0.0
Lithuania	0.0	0.0	..	..	..	0.0
Poland	0.0	0.1	0.0	0.0	0.0	0.2
Slovak Republic	0.0	..	..	0.1	..	0.2
Slovenia	..	..	4.3	3.7	3.4	11.4
Turkey	0.7	0.9	0.5	0.1	0.4	2.6
Non-DAC Countries, Total	1.3	1.7	5.5	4.9	4.7	18.1
Development Partners, Total	203.8	162.9	241.6	168.8	150.7	927.8

Source: OECD as of 24 Apr 2013

Annex Table 10: List of IFC's investments in Croatia that were active during FY09-13 (Regional Projects not included)

Investments approved pre-FY09, but active during FY09-13 (\$,'000)

Cmt	Clsre FY	Sector Name	Prjct Size	Loans	Equity	Net Cmtmnt
2/9/99	2011	Private Equity	5,000	0	4,671	4,671
9/3/02	2012	Commercial Banking	26,907	19,604		19,604
9/2/02	2012	Pulp & Paper	50,621	9,802		9,802
6/17/04		Retail	441,000	48,626		48,626
12/21/04		Commercial Banking	102,053	99,416		99,416
6/26/06	[2013]	Food Manufacturing	115,259	51,060		51,060
6/14/07		Accommodation & Tourism	283,091	37,091	15,505	52,595
6/5/08	[2013]	Livestock	43,537	62,710		62,710
6/5/08	[2013]	Food Manufacturing	178,142			
Subtotal			1,245,610	328,309	20,175	348,484

Investments approved in FY09-13(\$,'000)

Cmt	Clsre FY	Sector Name	Prjct Size	Loans	Equity	Net Cmtmnt
6/30/09	2012	Steel	213,195	56,406		56,406
6/28/12		Wind Power	74,024	24,807		24,807
7/2/12		Agricultural Machinery	19,846	15,097		15,097
11/15/12		Branded Retail Items	339,184	20,515		20,515
Subtotal			646,249	116,825	0	116,825
Grand Total			1,891,859	445,134	20,175	465,309

Annex Table 11: List of IFC's Advisory Services in Croatia, FY09-13 (Regional Projects not included)

Advisory Services operations approved pre-FY09, but active during FY09-13 (\$)

Project Name	Line	Start	End	Funds Managed by IFC
Croatia Regulatory Governance	IC	1/1/06	6/30/09	320,552
Belje Biogas and Composting	SBA	8/16/06	1/22/08	193,000
Total				513,552

Annex Table 12: Economic and Social Indicators for Croatia 2006-2011

Series Name	Croatia						Croatia	ECA	World
	2006	2007	2008	2009	2010	2011	Average 2006-2011		
Growth and Inflation									
GDP growth (annual %)	4.9	5.1	2.1	-6.9	-1.4	0.0	0.6	1.3	2.4
GDP per capita growth (annual %)	5.0	5.2	2.1	-6.8	-1.2	0.3	0.8	0.9	1.2
Inflation, consumer prices (annual %)	3.2	2.9	6.1	2.4	1.0	2.3	3.0	3.3	5.0
Composition of GDP									
Agriculture, value added (% of GDP)	5.2	4.9	5.0	5.1	5.0	5.1	5.1	2.0	2.8
Industry, value added (% of GDP)	28.1	27.5	27.7	27.5	26.8	26.5	27.3	26.5	26.8
Services, etc., value added (% of GDP)	66.7	67.6	67.3	67.4	68.2	68.4	67.6	71.6	70.3
Gross fixed capital formation (% of GDP)	26.0	26.2	27.4	24.5	20.6	18.8	23.9	19.6	20.5
Gross domestic savings (% of GDP)	22.7	22.2	22.7	21.4	21.2	21.0	21.8	21.6	20.8
External Accounts									
Exports of goods and services (% of GDP)	42.8	42.3	42.1	36.6	39.4	41.8	40.8	39.7	28.2
Imports of goods and services (% of GDP)	49.6	49.5	49.8	40.1	39.9	41.9	45.1	38.2	28.4
Current account balance (% of GDP)	-6.5	-7.3	-8.7	-4.9	-1.5	-0.7	-4.9		
External debt stocks (% of GNI)									
Total debt service (% of GNI)									
Total reserves in months of imports	5.1	5.0	4.0	6.3	6.3	5.9	5.4	5.9	12.9
Revenue, excluding grants (% of GDP)	34.4	35.5	34.8	34.5	33.7	32.8	34.3	34.8	23.1
Fiscal Accounts*									
General government revenue (% of GDP)	38.6	39.8	39.2	39.0	37.8	36.8	38.5		
General government total expenditure (% of GDP)	41.2	41.9	40.5	43.1	42.9	42.0	41.9		
General government gross debt (% of GDP)	35.4	32.9	29.3	35.8	42.2	46.7	37.0		
Social Indicators									
Health									
Life expectancy at birth, total (years)	75.8	75.7	75.9	76.2	76.5	76.9	76.2	75.3	69.3
Immunization, DPT (% of children ages 12-23 months)	96.0	96.0	96.0	96.0	97.0	96.0	96.2	95.2	82.2
Improved sanitation facilities (% of population with access)	99.0	99.0	99.0	99.0	99.0	..	99.0	91.9	61.5
Improved water source (% of population with access)	99.0	99.0	99.0	99.0	99.0	..	99.0	97.8	87.4
Mortality rate, infant (per 1,000 live births)	5.5	5.2	5.0	4.8	4.6	4.4	4.9	12.3	39.9
Education									
School enrollment, primary (% gross)	98.5	97.7	95.2	93.5	93.0	..	95.6	102.3	106.0
School enrollment, secondary (% gross)	93.0	93.5	94.3	95.3	95.7	..	94.4	96.6	68.5
Population									
Population, total	4.4	4.4	4.4	4.4	4.4	4.4	4.4	885.7	6,776.5
Population growth (annual %)	0.0	-0.1	0.0	-0.1	-0.2	-0.3	-0.1	0.4	1.2
Urban population (% of total)	56.6	56.9	57.1	57.3	57.5	57.8	57.2	69.7	50.8

DDP Online as of April 24, 2013

Annex Table 13: Millennium Development Goals

	1990	1995	2000	2005	2011
Goal 1: Eradicate extreme poverty and hunger					
Employment to population ratio, 15+, total (%)	51.0	50.0	45.0	47.0	46.0
Employment to population ratio, ages 15-24, total (%)	27.0	32.0	26.0	26.0	24.0
GDP per person employed (constant 1990 PPP \$)	21,140.0	16,949.0	18,324.0	22,445.0	25,129.0
Income share held by lowest 20%	10.0	..	8.0	9.0	..
Malnutrition prevalence, weight for age (% of children under 5)	-	1.0	..	..	..
Poverty gap at \$1.25 a day (PPP) (%)	-	..	-	-	..
Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	-	..	-	-	..
Vulnerable employment, total (% of total employment)	..	24.0	19.0	20.0	18.0
Goal 2: Achieve universal primary education					
Literacy rate, youth female (% of females ages 15-24)	100.0	..	100.0	..	100.0
Literacy rate, youth male (% of males ages 15-24)	100.0	..	100.0	..	100.0
Persistence to last grade of primary, total (% of cohort)	..	95.0	100.0	99.0	99.0
Primary completion rate, total (% of relevant age group)	..	81.0	93.0	95.0	93.0
Adjusted net enrollment rate, primary (% of primary school age children)	..	..	92.0	99.0	96.0
Goal 3: Promote gender equality and empower women					
Proportion of seats held by women in national parliaments (%)	..	8.0	21.0	22.0	24.0
Ratio of female to male primary enrollment (%)	..	99.0	99.0	100.0	100.0
Ratio of female to male secondary enrollment (%)	..	103.0	102.0	103.0	107.0
Ratio of female to male tertiary enrollment (%)	..	99.0	116.0	121.0	134.0
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	43.2	46.6	47.0	45.9	47.0
Goal 4: Reduce child mortality					
Immunization, measles (% of children ages 12-23 months)	90.0	92.0	93.0	96.0	96.0
Mortality rate, infant (per 1,000 live births)	11.0	9.0	7.0	6.0	4.0
Mortality rate, under-5 (per 1,000 live births)	13.0	10.0	8.0	7.0	5.0
Goal 5: Improve maternal health					
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	18.0	16.0	14.0	13.0
Births attended by skilled health staff (% of total)	100.0	100.0	100.0	100.0	100.0
Contraceptive prevalence (% of women ages 15-49)	..	..	69.0	..	..
Maternal mortality ratio (modeled estimate, per 100,000 live births)	8.0	14.0	11.0	14.0	17.0
Pregnant women receiving prenatal care (%)	..	..	100.0	100.0	100.0
Unmet need for contraception (% of married women ages 15-49)	..	..	..	..	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)	..	..	..	..	..
Condom use, population ages 15-24, female (% of females ages 15-24)	..	..	..	..	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	60.0	54.0	43.0	29.0	17.0
Prevalence of HIV, female (% ages 15-24)	..	..	..	..	0.1
Prevalence of HIV, male (% ages 15-24)	..	..	..	..	0.1
Prevalence of HIV, total (% of population ages 15-49)	0.1	0.1	0.1	0.1	0.1
Tuberculosis case detection rate (% of all forms)	95.0	84.0	85.0	82.0	82.0
Goal 7: Ensure environmental sustainability					
CO2 emissions (kg per PPP \$ of GDP)	..	-	-	-	-
CO2 emissions (metric tons per capita)	4.0	4.0	4.0	5.0	5.0
Forest area (% of land area)	33.1	..	33.7	34.0	34.4
Improved sanitation facilities (% of population with access)	99.0	99.0	99.0	99.0	99.0
Improved water source (% of population with access)	99.0	99.0	99.0	99.0	99.0
Marine protected areas (% of territorial waters)	1.0	1.0	1.0	1.0	3.0
Net ODA received per capita (current US\$)	-	11.0	15.0	28.0	34.0
Goal 8: Develop a global partnership for development					
Debt service (PPG and IMF only, % of exports of goods, services and primary income)	..	..	..	..	..
Internet users (per 100 people)	-	0.5	6.6	33.1	70.7
Mobile cellular subscriptions (per 100 people)	-	1.0	23.0	82.0	116.0
Telephone lines (per 100 people)	18.0	28.0	38.0	42.0	40.0

	1990	1995	2000	2005	2011
Fertility rate, total (births per woman)	2.0	2.0	1.0	1.0	1.0
Other					
GNI per capita, Atlas method (current US\$)	..	5,400.0	5,220.0	9,690.0	13,540.0
GNI, Atlas method (current US\$) (billions)	..	24.7	23.1	43.0	59.6
Gross capital formation (% of GDP)	12.4	15.7	19.1	27.3	21.1
Life expectancy at birth, total (years)	72.0	72.0	73.0	75.0	77.0
Literacy rate, adult total (% of people ages 15 and above)	97.0	..	98.0	..	99.0
Population, total (billions)	4.8	4.7	4.4	4.4	4.4
Trade (% of GDP)	163.8	74.7	86.5	90.9	83.7

Source: World Development Indicators