

Results Profile: Croatia



CROATIA

Helping Croatia Prepare for Successful European Union (EU) Integration

Overview

Over the last 15 years, Croatia achieved impressive economic and social progress. Prior to the onset of the global crisis, the Croatian economy grew at a healthy 4-5 percent annually, incomes doubled, and economic and social opportunities dramatically improved. Croatia's per capita income reached about 63 percent of the European Union (EU) average, and EU membership is well within reach.

Full Brief—6 Pages

[Helping Croatia Prepare for Successful European Union \(EU\) Integration—PDF, Sept 2010](#)

Challenge

Croatia's overarching priority is to enter the EU with a competitive and growing economy and the institutional capacity to meet the demands of EU membership. To achieve this, several challenges need to be overcome, including completing Croatia's transition to a market economy with a focus on private sector growth, fostering greater competitiveness, and achieving convergence with EU income levels, in a way that improves the quality of life for all Croatians, and that is fiscally, socially and environmentally-sustainable.

Approach

These priorities are shared across the political spectrum and society, and have formed the basis of International Bank for Reconstruction and Development (IBRD) assistance to Croatia. The priorities set forth are proving to be more challenging in the current global setting and given the impact of the global crisis on Croatia.

IBRD has been focusing its assistance on helping Croatia prepare for successful EU integration by, raising the competitiveness of the economy through long-term investments in major trading routes such as the Ports of Rijeka and Ploce, promoting research and development (R&D), supporting exports and jobs during the crisis, and assisting the authorities in mitigating the impact of the crisis

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- [Video: Croatia, Putting People First](#)
- [Video: New Jobs](#)

More Results



1,270

new jobs created in underdeveloped and war-affected areas

through timely budget support. IBRD is assisting the authorities to improve the quality of life of the population through revitalization of war-affected areas, improvements in the quality and delivery of social services to the most vulnerable, and contributing to the enhancement of the quality of education and provision of emergency medical services. IBRD is also assisting Croatia in the protection of the environment and promotion of energy efficient solutions. All of these efforts aim to help Croatia enter the EU as prepared as possible.

IBRD has been extensively engaged in providing financial support, technical assistance, policy advice and analytical services to Croatia since the country joined IBRD in 1993. To date, the Bank has supported 45 operations amounting to around US\$3 billion, and approved 52 grants with a total value of US\$70 million. Currently, 15 projects are under implementation with a total commitment value of around US\$1.2 billion.

Results

IBRD contributed to Croatia's efforts in maintaining macroeconomic stability, further strengthening the financial sector, and protecting the most vulnerable groups of society, through timely budget support through the Fiscal, Social and Financial Development Policy Loan in January 2010.

The Agriculture Acquis Cohesion Project has helped Croatia meet the EU accession requirement in the agriculture and rural development areas; build the capacity of civil servants to manage EU pre-accession and accession funds for rural development programs and improve Croatia's food safety system.

About 1,270 new jobs have been created in underdeveloped and war-affected areas across the country, rebuilding lives and livelihoods through activities under the Social and Economic Recovery Project. Since 2005, this project helped clear some 12 square kilometers of mine-contaminated land allowing people to use their land safely without fearing for their lives or property.

Since 2007, the Education Sector Development Project has been helping eliminate three-shift schools, improving the quality of education, through the construction or renovation of schools throughout Croatia – with 24 completed, 14 ongoing and another 7 schools slated for construction until the end of 2010. From mid-2004 until the end of 2009, the Energy Efficiency Project helped introduce energy efficient lighting, heating and thermal insulation in more than 50 schools across the country.

Partners

Throughout its engagement in Croatia, IBRD has developed and maintained excellent partnerships with key international institutions active in the country. Key partners include the European Commission, the European Bank for Reconstruction and Development, United Nations agencies and several bilateral donors. IBRD also maintains regular dialogue with other stakeholders, including members of parliamentary committees, academics, bankers, entrepreneurs, leaders of the trade unions, and non-government organizations.

Voices

83%

reduction in backlog of property registrar since 2004

MORE INFORMATION

- » [Country Website](#)
- » [Country Brief](#)
- » [Data and Statistics](#)
- » [Government of the Republic of Croatia](#)

“I never had a clue about kitchen work. Since my Danijela (one of the educators) taught me how to cook, I enjoy this job, I love it very much and it makes me happy.”

— *Dijana Dobran, Mother of a beneficiary of the Center for Inclusion*

Moving Forward

The Croatian authorities, so far, have been managing the impact of the global crisis relatively well. Nonetheless, the crisis is having a significant impact on the economy and society. The challenge now is to implement further structural reforms needed for continued convergence with the EU member countries, with a special focus on reforms of the judiciary, public administration and fighting corruption, while striving for better living standards for its citizens. Despite Croatia's relatively high-income level, access to EU funds and the forthcoming EU membership, there is a clear demand for IBRD's assistance in the years to come.