



## Croatia Innovation and Entrepreneurship Venture Capital Project (P152130)

EUROPE AND CENTRAL ASIA | Croatia | Trade & Competitiveness Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 2 | ARCHIVED on 01-Jun-2016 | ISR23672 |

Implementing Agencies: Hamag-Bicro

## Key Dates

## Key Project Dates

Bank Approval Date:07-Jul-2015

Effectiveness Date:06-Oct-2015

Planned Mid Term Review Date:10-Apr-2017

Actual Mid-Term Review Date:--

Original Closing Date:30-Sep-2021

Revised Closing Date:30-Sep-2021

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to strengthen risk capital financing for innovative SMEs and startups in Croatia

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

## Components

Name

Component 1: Pilot Venture Capital Fund:(Cost \$17.10 M)

Component 2: Seed Co-Investment Fund:(Cost \$2.74 M)

Component 3: Technical Assistance:(Cost \$1.64 M)

Unallocated amount:(Cost \$0.44 M)

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial



## Implementation Status and Key Decisions

The project implementation is progressing slowly, mainly due to the changes in the Croatian Government and the Executive Board of HAMAG-BICRO which had impact on the decision-making process relevant for the project. Activities under the Component 2 (Seed Co-Investment Fund) were recently launched in a public event on April 12th, 2016 in Zagreb. Moreover the capacity for project implementation of the HAMAG-BICRO has recently been strengthened with additional fiduciary and procurement experts and so we expect initial disbursements under the project shortly. In addition, MoEC expressed the intention to change the design of the Component 1 (Pilot Venture Capital Fund) in order to align it with best practices. The new proposed design will allow the Fund to be registered outside Croatia where it is possible to establish the Fund as a limited partnership or similar tax transparent structure. Request from the Government for the project restructuring is then expected due to the change in the design of the Fund structure. The PIU team has just been reinforced with FM and Procurement specialists following No Objection received from the World Bank team. Both new PIU members are on board as of May 2, 2016.

Currently, the project indicators still show a slower progress than initially envisaged due to changes in the Croatian Government, therefore the project performance is rated as moderately satisfactory. Activities under the Component 2 (Seed Co-Investment Fund) were recently launched in a public event on April 12th, 2016 in Zagreb. Moreover the capacity for project implementation of the HAMAG-BICRO has recently been strengthened with additional fiduciary and procurement experts and so we expect initial disbursements under the project shortly. In addition, MoEC expressed the intention to change the design of the Component 1 (Pilot Venture Capital Fund) in order to align it with best practices. The new proposed design will allow the Fund to be registered outside Croatia where it is possible to establish the Fund as a limited partnership or similar tax transparent structure. Potential request from the Government for the project restructuring is then expected due to the change in the design of the Fund structure.



## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● High	● High	● High
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● High	● High	● High
Environment and Social	● Low	● Low	● Low
Stakeholders	● Moderate	● Moderate	● Moderate
Other	● Low	● Low	● Low
Overall	● Substantial	● Substantial	● Substantial

## Results

### Project Development Objective Indicators

#### ► Total number of firms receiving risk capital financing from the Seed Co-investment Fund (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	15.00
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

#### ► Total number of firms receiving risk capital financing from the Venture Capital Fund (Number, Custom)



Value	0.00	0.00	0.00	12.00
Date	01-Oct-2015	22-Oct-2015	18-May-2016	01-Oct-2020

► Number of firms receiving investment that successfully introduced a new product, process, service, or upgraded the quality of an existing product, process, or service (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	14.00
Date	01-Oct-2015	22-Oct-2015	18-May-2016	01-Oct-2020

► Training provided (to government staff, investors and potential investees) under the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	133.00
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

## Overall Comments

## Intermediate Results Indicators

► Total amount of risk capital financing provided from the Seed Co-Investment Fund and leveraged from private investors (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	5.48
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020



► Private sector investment leveraged by the Seed Co-Investment Fund (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	3.29
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

► Co-investors in firms alongside the Seed Co-Investment Fund (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	8.00
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

► Total amount of risk capital financing provided by the public sector through the Pilot VC Fund and by the private sector investing in the fund (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	21.92
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

► Private sector investment leveraged into the Pilot VC Fund (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.77
Date	01-Oct-2015	23-Oct-2015	18-May-2016	01-Oct-2020



► Co-investors in the Pilot VC Fund (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	4.00
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

► Training provided to investors under the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	44.00
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

► Training provided to potential investees (entrepreneurs) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	44.00
Date	01-Oct-2015	--	18-May-2016	01-Oct-2020

► Training provided to government officials (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	44.00
Date	01-Oct-2015	23-Oct-2015	18-May-2016	01-Oct-2020



## ▶ Training provided to female investees (entrepreneurs) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4.00
Date	01-Oct-2015	23-Oct-2015	18-May-2016	01-Oct-2020

## ▶ Training provided to female government officials (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4.00
Date	01-Oct-2015	23-Oct-2015	18-May-2016	01-Oct-2020

## ▶ Number of SMEs/startups satisfied with quality of services provided under the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	27.00
Date	01-Oct-2015	--	18-May-2016	01-May-2020

## Overall Comments

**Data on Financial Performance****Disbursements (by loan)**

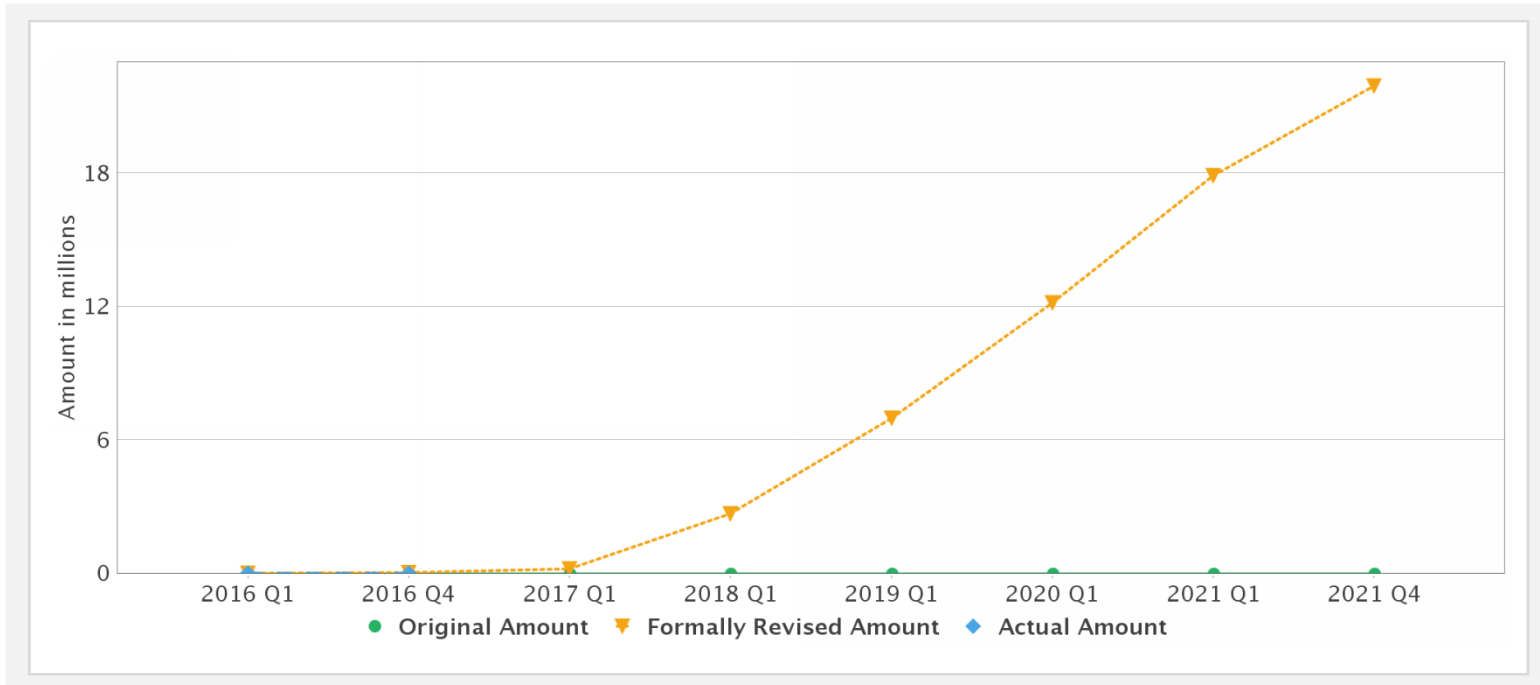
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P152130	IBRD-85180	Effective	USD	21.92	21.92	0.00	0.00	21.92	0%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152130	IBRD-85180	Effective	07-Jul-2015	08-Jul-2015	06-Oct-2015	30-Sep-2021	30-Sep-2021



## Cumulative Disbursements



## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.