Implementation Status & Results
Croatia
Economic Recovery Development Policy Loan (ERDPL) (P122221)

Project Name: Economic Recovery Development Policy Loan (ERDPL) (P122221)
Program Stage: Implementation
Seq.No: 1
Status: ARCHIVED
Last Modified Date: 02-Jun-2011

Country: Croatia
Approval FY: 2011
Region: EUROPE AND CENTRAL ASIA
Lending Instrument: Development Policy Lending

Implementing Agency(ies):

Key Dates
Board Approval Date 05-May-2011
Original Closing Date 31-Dec-2011
Planned Mid Term Review Date
Last Archived ISR Date
Effectiveness Date
Revised Closing Date 31-Dec-2011
Actual Mid Term Review Date

Program Development Objectives

The proposed Economic Recovery Development Policy Loan (ERDPL) to the Republic of Croatia supports the Government’s efforts to accelerate sustainable economic recovery through measures to (i) enhance fiscal sustainability through expenditure-based consolidation; and (ii) create enabling environment for private sector growth.

Has the Program Development Objective been changed since Board Approval of the Program?
☐ Yes  ☐ No

Overall Ratings

<table>
<thead>
<tr>
<th></th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td></td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
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<td>Satisfactory</td>
</tr>
</tbody>
</table>

Implementation Status Overview

The Economic Recovery Development Policy Loan was approved by the Board on May 5, 2011. The actions taken under the Program have been fully implemented with the three laws (the Law on Amendments to the Law on Rights of Members of the Parliament, the Law on Amendments to the Civil Service Law and the Law on Social Welfare) earlier submitted to the Parliament, now enacted (on April 15 and May 13, 2011 respectively). The macroeconomic framework remains appropriate with clear signs of recovery from the second quarter of 2011, including the positive developments on the labor market.

The Government continued with the implementation of the medium-term reform agenda outlined in the Program Document and proposed to be supported through the follow-up ERDPL2. In particular, draft Science and Universities’ Acts have been discussed with stakeholders and are planned for the Government adoption by mid-June, 2011, while the amendments to the Labor Act addressing the flexibility of working hours have been enacted by the Parliament on May 20, 2011.

Results
<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government spending</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>43.20</td>
<td>42.10</td>
<td>40.90</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2010</td>
<td>31-May-2011</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comment</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
</tr>
<tr>
<td>Indicator Name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government Wage Bill</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Value</td>
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<td>10.50</td>
<td>9.90</td>
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<td>Date</td>
<td>31-Dec-2010</td>
<td>31-Dec-2011</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comment</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
</tr>
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<td>Indicator Name</td>
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<td>Total public health spending</td>
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<tr>
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<td>6.90</td>
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<td>6.20</td>
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<tr>
<td>Date</td>
<td>31-Dec-2010</td>
<td>31-Dec-2011</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comment</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
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<td>Indicator Name</td>
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<td>2.50</td>
<td>2.30</td>
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<tr>
<td>Date</td>
<td>31-Dec-2010</td>
<td>31-May-2011</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comment</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
</tr>
<tr>
<td>Indicator</td>
<td>Baseline</td>
<td>Current</td>
<td>End Target</td>
</tr>
<tr>
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<td>----------</td>
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<td>------------</td>
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<tr>
<td><strong>Pension spending</strong></td>
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<td><strong>Value</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
</tr>
<tr>
<td><strong>Unit of Measure</strong></td>
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<td><strong>Comment</strong></td>
<td><strong>Comment</strong></td>
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<td><strong>Percentage</strong></td>
<td><strong>as % of GDP</strong></td>
<td><strong>as % of GDP</strong></td>
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<tr>
<td><strong>Value</strong></td>
<td>10.50</td>
<td>10.20</td>
<td>9.70</td>
</tr>
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<td><strong>Comment</strong></td>
<td>as % of GDP</td>
<td>as % of GDP</td>
<td>as % of GDP</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>31-Dec-2010</td>
<td>31-May-2011</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td><strong>Labor force participation rate</strong></td>
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<td><strong>Value</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
</tr>
<tr>
<td><strong>Unit of Measure</strong></td>
<td><strong>Comment</strong></td>
<td><strong>Comment</strong></td>
<td><strong>Comment</strong></td>
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<tr>
<td><strong>Custom Indicator</strong></td>
<td><strong>Percentage</strong></td>
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<td><strong>Value</strong></td>
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<td><strong>Comment</strong></td>
<td>% of 15-64 population</td>
<td>% of 15-64 population</td>
<td>% of 15-64 population</td>
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<tr>
<td><strong>Date</strong></td>
<td>31-Dec-2009</td>
<td>31-Dec-2010</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td><strong>Institutions score (from Global Competitiveness Index)</strong></td>
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</tr>
<tr>
<td><strong>Indicator Name</strong></td>
<td><strong>Value</strong></td>
<td><strong>Value</strong></td>
<td><strong>Value</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
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<tr>
<td><strong>Unit of Measure</strong></td>
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<td><strong>Custom Indicator</strong></td>
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<td><strong>Comment</strong></td>
<td>Score</td>
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<tr>
<td><strong>Date</strong></td>
<td>31-Dec-2010</td>
<td>31-May-2011</td>
<td>31-Dec-2012</td>
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<tr>
<td><strong>Private sector share</strong></td>
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<tr>
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<td><strong>Value</strong></td>
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<td><strong>Value</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
<td><strong>Date</strong></td>
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<td>as % of GDP</td>
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<tr>
<td><strong>Date</strong></td>
<td>31-Dec-2009</td>
<td>31-Dec-2010</td>
<td>31-Dec-2011</td>
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<td>End Target</td>
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</table>

**Data on Financial Performance (as of 11-May-2011)**

**Financial Agreement(s) Key Dates**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Closing Date</th>
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<tbody>
<tr>
<td>P122221</td>
<td>IBRD-80630</td>
<td>Not Effective</td>
<td>05-May-2011</td>
<td>10-May-2011</td>
<td>31-Dec-2011</td>
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**Disbursements (in Millions)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
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<tbody>
<tr>
<td>P122221</td>
<td>IBRD-80630</td>
<td>Not Effective</td>
<td>USD</td>
<td>213.00</td>
<td>213.00</td>
<td>0.00</td>
<td>213.00</td>
<td>0.00</td>
<td>0.00</td>
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</table>

**Tranches**

**Tranche 1**

<table>
<thead>
<tr>
<th>Amount (USD)</th>
<th>Expected Release Date</th>
<th>Actual Release Date</th>
<th>Status</th>
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<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
<td>Pending, Released</td>
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</table>

**Key Decisions Regarding Implementation**

None.

**Restructuring History**

There has been no restructuring to date.

**Related Operations**
P122221-Economic Recovery Development Policy Loan (ERDPL)