

# LAYING THE FOUNDATIONS FOR RECOVERY: CROATIA

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## Croatia's recovery and resilience plan

The European Commission has given a positive assessment to **Croatia's recovery and resilience plan, which will be financed by €6.3 billion in grants.**

The financing provided by the Recovery and Resilience Facility – at the heart of NextGenerationEU – will support the implementation by 2026 of crucial investment and reform measures put forward by Croatia to emerge stronger from the COVID-19 pandemic.

Croatia's plan forms part of an **unprecedented coordinated EU response to the COVID-19 crisis**, to address common European challenges by embracing the green and digital transitions, to strengthen economic and social resilience and the cohesion of the Single Market. In particular, Croatia's plan will accelerate the green transition notably in energy and transport, enhance digitalisation of the public and private sectors, improve the business environment, strengthen labour, social and education policies and increase the efficiency of the public administration and of the justice system.

### KEY MEASURES TO SECURE CROATIA'S GREEN TRANSITION

**40%** of the plan's total allocation for reforms and investments supports climate objectives



▶ **Energy efficiency and post-earthquake reconstruction of buildings:** renovating at least 225,000 square metres of residential buildings and 593,000 square metres of public buildings. **€789 million**



▶ **Sustainable mobility:** upgrading railway lines, autonomous electric taxis with supporting infrastructure adapted for people with disabilities, installing 1,300 charging stations for electric vehicles, introducing zero-emission vehicles and vessels. **€728 million**



▶ **Low-carbon energy transition:** modernising energy infrastructure to connect 1,500 MW of renewable energy, supporting investments for the production of advanced biofuels and renewable hydrogen, financing innovative carbon capture and storage projects. **€658 million**



▶ **Support to businesses for green transition and energy efficiency:** supporting businesses with projects aimed at boosting green economy, sustainable tourism, investing in green technologies. **€542 million**

## KEY MEASURES TO SUPPORT CROATIA'S DIGITAL TRANSITION

**20%** of the plan's total allocation for reforms and investments supports digital objectives



- ▶ **Digital transition of the public administration:** digitalisation of the justice system, interoperability of the government's information systems, deployment of the Digital Identity Card, introduction of smart-working arrangements and creation of a one-stop-shop for all public administration' online services. **€287 million**



- ▶ **Digital connectivity of rural areas:** increasing national broadband coverage with gigabit connectivity in rural areas and construction of electronic communications infrastructure. **€126 million**



- ▶ **Digitalisation of higher education:** investing in e-learning and digital teaching tools. **€84 million**

## KEY MEASURES TO REINFORCE CROATIA'S ECONOMIC AND SOCIAL RESILIENCE



- ▶ **Improving the business environment:** reducing administrative burdens, lowering regulatory requirements for professional services, and increasing access to financing for businesses. **€739 million**



- ▶ **Supporting employment and social inclusion:** redesigning active labour market policies to boost employment and self-employment, funding vouchers for training and upskilling programmes, improving the adequacy, targeting and coverage of social benefits and developing new social services. **€277 million**



- ▶ **Investments in education and research:** improving access to early childhood education and care, introducing vouchers for upskilling in green and digital, refocusing research and innovation on performance, and strengthening the attractiveness and progression system of researcher's careers. **€995 million**



- ▶ **Increasing the efficiency of the public sector and the justice system:** introducing a new wage and work models in the civil service, incentivising the merger of local government administrations, strengthening mechanisms for coordination and integration of public policies, improving the governance of state assets, reducing the backlog of pending cases and the length of court proceedings. **€200 million**

## IMPLEMENTATION

- None of the plan's measures will do significant harm to the environment.
- Stakeholders should continue to be involved in the implementation of the recovery and resilience plan to ensure ownership of reforms.
- Disbursement of funds is performance-based and will reflect progress on reforms and investments set out in the plan.
- Control systems will protect against serious irregularities such as fraud, corruption and double funding.