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From:	General Secretariat of the Council
To:	Delegations
Subject:	ANNEX to the COUNCIL IMPLEMENTING DECISION amending Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Croatia

ANNEX

SECTION 1: REFORMS AND INVESTMENTS UNDER THE RECOVERY AND RESILIENCE PLAN

1. Description of Reforms and Investments

A. COMPONENT 1.1: RESILIENT, GREEN AND DIGITAL ECONOMY

This component of the Croatian recovery and resilience plan takes a broad, horizontal approach in addressing some of the structural weaknesses of the Croatian economy. Croatia's economic growth and convergence with the rest of the Union are hampered by low productivity, relatively low investments by the private sector, limited access to financing by the most innovative companies and, in general, a business environment that is characterized by a relatively high administrative and parafiscal burden and excessive regulation of professions. In addition, the share of industrial production is the lowest among Central and Eastern Member States and Croatia also lags behind peer countries in the level of investments going into innovation, higher technological level products and the green and digital transitions.

The objectives of the component are threefold:

- Improving the business environment by continuing the reforms to reduce the administrative and parafiscal burdens and to further liberalise regulated professions.

- Achieving a better allocation of capital resources within the economy by devising changes to the regulatory framework to incentivize private sector investment; supporting through grants and concessional financial instruments productive investments by businesses, particularly for adopting green technologies; and improving access to alternative or innovative ways of financing.

- Supporting businesses in adapting their operations to the new digital environment with a special focus on the cultural and creative sectors which were hit particularly hard by the lockdown measures that restricted in-person services.

The component addresses the country-specific recommendation by providing liquidity to small- and medium-size companies, reducing parafiscal charges and restrictions in the goods and services market regulation, promoting private investments and focusing investments on the green and digital transitions (country-specific recommendation 3, 2020). It also contributes to address the recommendation to reduce the most burdensome parafiscal charges and excessive product and services market regulation (country-specific recommendation 4, 2019).

The component is divided into two sub-components, C1.1.1 (Strengthening competitiveness and green transition of the economy) and C.1.1.2 (Boosting innovation and digitising the economy.)

A.1. Description of the reforms and investments for non-repayable financial support

Subcomponent C1.1.1 – Strengthening competitiveness and green transition of the economy

The objective of this subcomponent is to promote economic activity, competitiveness and investment through further reducing administrative and parafiscal burden on businesses, further liberalising regulated professions, increasing access to credit with the help of grants, concessional loans and equity instruments, attracting foreign direct investments and supporting the cultural and creative sectors in their digital transition.

Reform C1.1.1 R1 – Continuing the reform of the business and regulatory environment.

The objective of this reform is to further improve Croatia's business environment through:

- digitising the services provided by state and public administrations to businesses,
- improving regulatory conditions for businesses and continuing administrative and fiscal burden relief and
- adoption of a Strategy and Action Plan to improve economic impact assessment.

The reform shall include the adoption the 5th Action Plan for reducing the administrative burden and parafiscal and non-tax charges, the setting up an IT system to monitor the implementation of the measures and to update and digitalise the Register of Non-Tax Charges.

The adoption of a strategy and action plan to improve economic impact assessment procedures used in the public administration to better support innovation and the adoption of new business models. In this context, the SME Impact Assessment Test shall be transferred to a digital platform to facilitate the collaboration of the public administrators and to support online training and communication. The continuous training of civil servants in specific areas shall be part of the investment. Measures under the investment shall include the implementation of a Regulatory Sandbox, allowing for controlled testing of new business models.

This reform shall be completed by 31 December 2024.

Reform C1.1.1 R2 – Continuing the reform of regulated professions

The objective of the reform is to boost productivity in the Croatian economy through the continuation of the liberalisation of services markets. This measure consists in simplifying or abolishing at least 50 regulatory requirements for professional services, in line with action plans on liberalising service markets and taking into account World Bank recommendations.

Reform C1.1.1 R3 – Advancing the strategic framework for the promotion of private investment

The objective of the reform is to make Croatia an attractive destination for investment through the development and adoption of a Strategic Framework to Promote and Facilitate Foreign Direct Investment. This measure consists in the adoption of a strategic framework for investment promotion, including a national plan, an action plan, a new law on investment promotion, and a digital coordination platform.

Reform C1.1.1 R6 – Developing resilient cultural and creative sectors

The reform shall include the entry into force of amendments to the Electronic Media and Copyright and Related Rights Law establishing the effective legal protection of authors of creative, cultural and media content on the Internet, taking into account the need to remove obstacles to the successful

commercialisation of protected content on the Internet. The new legal framework is expected to incentivise entrepreneurs to adapt their business processes to the industry standards in the Digital Single Market, by developing new and innovative online business models, and new and innovative products and services.

The reformed copyright framework is expected to foster the cultural and creative industries by providing a stable legal framework for the creation of online platforms and applications, facilitating the online licensing of creative, cultural and media content, thereby promoting cultural, linguistic and media diversity. Changes to the media and copyright legal framework are expected to facilitate the cross-border distribution of television and radio programmes, by providing clear rules on so-called direct signal circulation, and to facilitate the re-use of public content for creation of new innovative products and services on the Digital Single Market. Moreover, the legislative reform shall ensure transparency in the publication of ownership structures linked to the Register of Beneficial Owners and the publication of this information on the provider's website, and more transparency shall also be introduced with regard to information on amounts and sources of funding.

Investment C1.1.1 R1-I1 – Digitalisation of government and public administration services provided to the business sector (G2B)

The objective of the investment is to improve the accessibility, transparency and efficiency of public services provided to businesses through their digitalisation in selected priority areas such as business registration and licensing. This measure consists in adopting a regulatory strategy and action plan for SMEs, launching a fee payment platform, upgrading the START system with access points and a licensing module, and digitalising investment procedures.

Investment C1.1.1 R1-I2 – Continuing administrative and fiscal burden relief

The objective of the investment is to substantially improve the business environment in Croatia. This measure consists in implementing successive Action Plans to cut parafiscal and non-tax charges, reduce administrative burdens, and digitalise the SME test through a new collaboration platform.

Investment C1.1.1 R4-I1 – Support to enterprises for the transition to an energy- and resource efficient economy

The objective of this investment is to finance, through grants, productive investments by small, medium-sized and mid-cap companies in green technologies that contribute to an energy- and resource-efficient economy in energy-intensive industries. This measure consists in launching calls for proposals and awarding grants to SMEs and mid-caps for investments in circular economy projects and low-emission technologies.

Investment C1.1.1 R4-I2 – Financial instrument for micro, small and medium-sized enterprises

The objective of the investment is to further encourage investment activity on the Croatian market by providing more favourable financing conditions for SMEs in the growth and development phase (entities with access to finance) and supporting access to finance of specific target groups that usually do not have such access (such as micro entrepreneurs, start-ups, young entrepreneurs, investments in RDI, economic operators investing in less developed areas). This measure consists in establishing financial instruments through HAMAG BICRO and HBOR to provide loans and interest rate subsidies for SME investments in competitiveness, digitalisation, and the green transition.

Investment C1.1.1 R4-I3 – Financial instrument for mid-cap and large enterprises

The objective of the investment is to promote the competitiveness and green and digital transition of mid-caps and large companies by providing more favourable sources of financing as a key condition for investment growth in the short and medium term. This measure consists in establishing guarantee and interest subsidy funds through HBOR to finance investments in competitiveness, digitalisation, and environmentally friendly technologies.

Investment C1.1.1 R4-I4 – Financial instrument for public sector entities

The objective of the investment is to provide concessional financing to public entities for projects in economic, municipal, transport and social infrastructure, as well as projects in technology contributing to the green and digital transition of the public sector with a planned allocation of EUR 26 544 562 (HRK 200 000 000). This measure consists in establishing interest subsidy funds through HBOR to finance public entities for sustainable infrastructure and technology investments.

Investment C1.1.1. R4-I5 - Equity Injection into HBOR to Support Strategic Digital Investments and Strategic Green Investments

This measure aims at supporting the growth potential of the Croatian economy by structurally adjusting the level of public support available to address market failures and inefficiencies within the economy, in two specific areas, digital and green transition.

The measure shall consist of an equity injection of EUR 277 398 368 into the Croatian Bank for Restructuring and Development (HBOR).

HBOR shall adopt a new investment policy for the use of the additional equity. The investment policy shall include the description of the financial product(s) with the expected type of eligible final beneficiaries that the additional equity is expected to initially support, including the expected timeline for the implementation and expected amount of each financial product. HBOR shall use for the additional equity the same audit and control system that was positively assessed by the Commission in accordance with Article 157 of Regulation (EU, Euratom) 2024/2509.

The Investment Policy shall require that financial products that the additional equity supports comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use[1], (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks[2] (iii) activities and assets related to

[1] Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

[2] Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

waste landfills, incinerators[3] and mechanical biological treatment plants[4]. Furthermore, in the case of general support to corporates, the investment policy shall exclude companies with a substantial focus[5] in the following sectors: (i) fossil fuel-based energy production and related activities[6] (ii) energy-intensive and/or high CO2-emitting industries[7]; (iii) production, rental, or sale of polluting vehicles[8]; (iv) waste collection, waste treatment and disposal[9], (v) processing of nuclear fuel, production of nuclear energy. Moreover, the investment policy shall require compliance with the relevant EU and national environmental legislation of the final beneficiaries.

The implementation of the measure shall be completed by 31 August 2026.

Investment C1.1.1 R5-I1 – Investment in equity and quasi-equity financial instruments

The objective of the investment is to ensure a faster development of private companies that are unable to obtain financing from traditional financial institutions with a planned allocation of EUR 29 862 632 (HRK 225 000 000). This measure consists in establishing equity and quasi-equity instruments through HBOR and EIF to channel investments into private equity, venture capital funds, and co-investments.

Investment C1.1.1 R6-I1 – Transforming and strengthening the competitiveness of cultural and creative industries

The objective of the investment is to support the transformation and competitiveness of cultural and creative industries. This measure consists in providing funding, through grants, for building the capacity of micro, small, medium-sized enterprises and other legal and natural persons active in the field of cultural and creative sectors.

[3] This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

[4] This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

[5] It is considered that a Final Beneficiary has a "substantial focus" on a sector or business activity if such sector or activity is identified as being an essential part of the business activity of the Final Beneficiary respectively in relation to the gross revenue, profit, or client base of the Final Beneficiary. The gross revenue generated from the restricted sector or activity shall, in any case, not exceed 50% of the gross revenue.

[6] Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

[7] Including activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

[8] Polluting vehicles are defined as non-zero-emission vehicles.

[9] This exclusion does not apply to actions in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

Investment C1.1.1 R6-I2 – Establishment of media fact-checking and public disclosure system

The objective of the investment is to strengthen the capacity to tackle disinformation. The investment supports the establishment a system of media fact-checking by the Electronic Media Agency, including the development of frameworks, tools and competences.

Subcomponent C.1.1.2 – Boosting innovation and digitising the economy

The objective of this subcomponent is to improve the position of the Croatian economy on the value chain by boosting innovation and digitisation in the private sector. The measures of this subcomponent shall include adopting a more investment-friendly legislative framework, providing young and innovative businesses with administrative and financial support to promote the development and commercialisation of innovative products, and providing support to businesses for their digital transition.

Reform C1.1.2 R1 – Reform of the R&D incentive system

The objective of the reform is to increase the number of enterprises investing and the size of investments in R&D.

This measure consists in analysing the current R&D tax incentive scheme and amending the legal framework to simplify procedures, reduce burdens, and improve accessibility.

Investment C1.1.2 R2-I2 – Investing in the management capacity of small and medium-sized enterprises

The objective of the investment is to help businesses expand their activities, increase their productivity and create jobs through providing business consultancy support to SMEs to increase their management capacity.

This measure consists in providing advisory, training, and mentoring support to SMEs to strengthen management capacity.

Investment C1.1.2 R2-I3 – Start-up grant funding

The objective of this investment is to stimulate the growth of start-ups in the high-tech and knowledge-based sectors in the pre-commercial phase through support for product development, increased production capacity and investment readiness.

This measure consists in awarding grants to start-ups in the pre-commercial phase to support product development, capacity expansion, and investment readiness.

Investment C1.1.2 R2-I4 – StrengtheningEnhancing Accelerating Activities

The objective of the investment is to support the establishment of an acceleration programme in Croatia. This measure consists in providing mentoring, support for investment readiness and access to investor networks for groups of up to 120 start-ups over a period of at least three months.

Investment C1.1.2 R2-I5 – Commercialisation of innovation projects

The objective of the investment is to encourage the commercialisation of innovation projects for mature projects close to market entry, and increase exports of innovative products, services or technologies by SMEs by supporting the creation of sales and distribution channels on foreign markets and through strengthening the links between scientific institutions and industry, as well as between small and medium-sized enterprises and larger companies. This measure consists in

providing grants to SMEs with mature innovation projects to finance product adaptation, market launch, and internationalisation.

Investment C1.1.2 R3-I2 – Digitalization vouchers

The objective of the investment is to support SMEs to develop a digital business model, strengthen their capacity to digitalise, or improve their cybersecurity through the introduction of a voucher system. This measure consists in providing vouchers to SMEs for digital skills, cybersecurity, and digital transformation projects.

Investment C1.1.2 R3-I3 – Grants for digitalisations

The objective of the investment is to support the digital transformation of Croatian companies by providing financial support for the deployment of digital solutions in their business operations. This measure consists in providing grants for SMEs to deploy digital tools, strengthen digital skills, and develop innovative digital products and services.

A.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
1	C1.1.1. R1	M	Adoption of the Strategy for the Evaluation of the Economic Effects of Regulation on the SME sector by the Croatian Government and the accompanying Action Plan	Adoption of the Strategy and Action Plan				Q4	2022	Focusing primarily on the economic impact of regulation on the SME sector, MINGOR shall adopt a binding Regulatory Policy Strategy for Ministries, which clearly assigns management and operational responsibilities during the stages of conducting obligatory SME test during the regulatory process. Based on the Regulatory Policy Strategy, an Action Plan shall be adopted to organise, plan, coordinate and monitor the implementation by line Ministries of relevant tools and methodologies (primarily, for SME test and other economic analyses of regulation, if there is a significant economic impact detected).
2	C1.1.1. R1-I1	M	Operational digital platform to pay fees	Digital platform to pay fees in operation				Q2	2022	A single payment platform for mandatory fees as a new digital public service shall be established to optimise the existing administrative process and offer the following functionalities: (1) List of fees to be paid by the business operator (2) Payment calendar with deadlines for their settlement (3) Possibility of direct online payment of fees (4) Overview of commitments paid.
3	C1.1.1. R1-I1	M	Upgrading START systems	START platform with additional services upgraded				Q4	2024	The digital platform for setting up limited liability corporations, called START platform, shall be upgraded by digitising additional services for the purposes of registration and reporting and the integration of existing start-up systems. The first action includes investments that shall build on the existing digital platform called START for the setting up of limited liability corporations and allowing users to register new corporations online. This action shall expand the functionalities of the START platform with a view to increasing the volume of services, improve access and availability of the system and ensure that all new business data are integrated into one database. Second, new functionalities shall be introduced into the START platform through its upgrading and linking with the various databases of the business registry to allow access to administrative procedure through digital authentication. Third, a digital licensing

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										platform (START Plus) shall be established to increase the transparency of market entry conditions as well as the transparency of business regulations.
4	C1.1.1. R1-I1	T	Setting up physical access points to the START platform		Number	0	20	Q4	2024	To increase the use of START platform and better integrate the processes that were initiated through the digital and physical platforms, 20 new physical access points to the START platform shall be set up.
5	C1.1.1. R1-I1	M	Digitalisation of MINGOR targeted processes under the Law on Strategic Investment Projects of the Republic of Croatia, the Law on Investment Promotion and the Law on State Aid for Research and Development Projects and the further digitalisation and networking of the JRPI system	Digitalisation of MINGOR targeted processes				Q4	2024	This milestone requires digitalisation of the processes implementing the Croatian Law on Strategic Investment Projects, the Law on Investment Promotion and the Law on State Aid for Research and Development Projects and further digitalisation and networking of the Single Register of Enterprise Infrastructure (JRPI). This shall entail simplifying the above procedures, further developing and upgrading the JRPI electronic database on enterprises and implementing a digital platform for submitting and accessing applications.
6	C1.1.1. R1-I2	T	Implementation of the Action Plan to reduce non-tax and parafiscal charges 2020		% (Percentage)	0	100	Q1	2022	The implementation of the Action Plan to reduce non-tax and parafiscal charges 2020, adopted by the Croatian Government in May 2020 and containing 33 measures to reduce non-tax and parafiscal charges and 17 measures to reduce fees for professional examinations, shall bring direct cost relief to the private sector.
7	C1.1.1. R1-I2	T	Implementation of measures in the Action Plans to alleviate the administrative burden		% (Percentage)	61,02	95	Q4	2022	Implementation of administrative burden reduction measures identified in the 2018, 2019 and 2020 Action Plans, amounting to at least 95% of the envisaged cost reduction. The Action Plans for administrative burden relief shall optimise and digitalise the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			on the economy 2018, 2019, 2020							administrative processes identified as the most burdensome for the private sector. All burden relief measures shall be established in cooperation with representatives of the business community, chambers and professional associations.
8	C1.1.1. R1-I2	M	Digitalisation of the SME Impact Assessment Test through the development of a digital platform for coordinators' collaboration, online training and mutual communication	Digital Platform in operation				Q4	2023	The use of IT consultancy services shall develop and set up a digital platform for the implementation of the SME test. The platform shall consist of an IT database of SME tests, a database of standardised values used to calculate the impact assessment, and shall allow for systematic monitoring and monitoring of calculated impacts, analytical reports and impact simulations. An integral part of the platform, in addition to the database, shall form a portal dedicated to mutual communication and exchange of experience between national experts who form the Better Regulation network. All activities shall be implemented through technical assistance projects (TSI).
9	C1.1.1. R1-I2	T	Implementation of the actions of the new Action Plan to reduce non-tax and parafiscal charges		Number (EUR)	0	132 722 808	Q4	2023	An important element in assessing the business environment is the different charges in the form of parafiscal levies and administrative charges. All fees resulting from public regulation provisions paid by undertakings to central government bodies, local and regional authorities or other bodies with public powers shall be analysed and considered. The implementation of measures to reduce the burden on businesses from parafiscal and non-tax charges in the new/second Action Plan to reduce parafiscal and parafiscal charges shall result in a direct cost relief of no less than EUR 132 722 808.
10	C1.1.1. R1-I2	T	Implementation of the first set of measures set out in the new/fifth Action Plan for administrative burden relief for entrepreneurs		Number (EUR)	0	132 722 808	Q4	2024	The development of a new/fifth Action Plan on administrative burden relief shall continue the optimisation and digitalisation of the administrative processes identified as the most burdensome for the private sector. It shall provide a more favourable legal and administrative environment for business by continuing to implement measures to reduce burdens, simplify and make business cheaper.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										The implementation of the measures set out in the new/fifth Action Plan on administrative burden reduction of the economy shall reduce the burden on entrepreneurs by at least EUR 132 722 808. The implementation of the measures shall be ensured through cooperation between the Ministry of Economy and Sustainable Development and the Central State Office for the Development of the Digital Society.
11	C1.1.1. R1-I2	T	Implementation of the second set of measures set out in the new/fifth Action Plan to further reduce the administrative burden on entrepreneurs		Number (EUR)	132 722 808	265 445 617	Q4	2025	The implementation of the measures set out in the new/fifth Action Plan on administrative burden reduction of the economy shall reduce the burden on entrepreneurs of at least EUR 132 722 808 compared to the target set up to 4Q/2024.
12	C1.1.1. R2	T	Simplification or removal of at least 50 regulatory requirements for professional services		Number	250	300	Q4	2024	The target shall include the simplification or total removal of at least 50 regulatory requirements for professional services, based on the implementation of the second and third action plans for the liberalisation of services markets, including the professions of lawyers, notaries, tax advisors, auditors, pharmacists and pharmacies, physiotherapists, architects, engineers and tourist guides, taking into account the recommendations of the technical assistance project in cooperation with the World Bank, and also recommendations concerning: - Registration and membership costs of professional chambers; - Fragmented exclusive rights in individual professions (e.g. architects and engineers); - Provision of the post-graduate professional exam (e.g. architects and engineers); - Restrictions on tax advisors on ownership and management interests or voting rights.
13	C1.1.1. R3	M	Establishing a strategic framework	Adoption of an Action Plan to				Q4	2024	A strategic framework for the promotion of private investment shall be established, based on analysis and recommendations, consisting

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			for the promotion of private investment	boost investment and entry into service of a digital platform to coordinate and ensure effective international, national and regional investment promotion and support.						of the adoption and publication of the National Plan for the Promotion of Investment 2023-2030, the Action Plan to boost investment 2023-2028, and the entry into force of a new Law on Investment Promotion, and the entry into service of an operational digital platform for coordination and effective international, national and regional investment promotion and support. The milestone shall include three analytical studies: providing i) a review of the institutional landscape, ii) an assessment of the impact of foreign direct investments and iii) recommendations for regulatory, institutional changes and designing of tax incentives; the adoption of the strategic framework including an action plan and the establishment of a digital platform to facilitate implementation. The strategic framework is expected to ensure policy coherence and coordination across different ministries and institutions dealing with the promotion and facilitation of investment, maximise the impact of investment on productivity, job creation and regional development and support Croatia's digital and climate transition.
14	C1.1.1. R4-I1	M	Publication of calls for funding for investments targeting environmentally friendly activities with established eligibility criteria for applicants and projects (including DNSH compliance criteria)	Publication of notice of call for proposal for grants				Q2	2022	Launch of calls for proposals for grants to support the green transition of SMEs and mid-caps towards an energy efficient economy. The grants shall support the development and application of green technologies in companies' business processes to reduce negative climate and environmental impacts, foster sustainable production, increase employment in more sustainable jobs and strengthen local and regional competitiveness (in line with the EU taxonomy). The selection/eligibility criteria shall reflect the requirements of the applicable intervention fields in Annexes VI and VII to the RRF Regulation and ensure that the supported projects comply with the DNSH Technical Guidance (2021/C58/01), through use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. This measure shall not support investments in installations falling within the scope of the EU Emission Trading System (ETS). The grants shall support investments by private sector companies

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										aimed at: - Projects focused on the circular economy by integrating resource efficiency aspects into the production and life cycle of products, including the sustainable supply of primary and secondary raw materials, and/or - Decarbonising energy-intensive industries and significantly reducing emissions in these industries, including through demonstration of innovative low-emission technologies.
15	C1.1.1. R4-I1	T	Granting of the funds to SMEs and mid-cap companies for investments targeting environmentally friendly activities		Number	0	290	Q3	2025	Contracts signed with at least 250 SMEs and at least 40 mid-caps to grant funds, in accordance with the eligibility/selection criteria set out in Milestone #14.
16	C1.1.1. R4-I2	M	Establishment of financial instrument to support investment by micro, small and medium-sized enterprises	Agreements published between (i) the relevant ministry (MINGOR or MINFIN) and HAMAG BICRO, and between (ii) the relevant ministry (MINGOR or MINFIN) and HBOR to provide favourable financing conditions for investments and working capital assets necessary				Q1	2022	The measure shall encourage investment by micro, small and medium-sized enterprises in new technologies, the purchase of modern machinery, equipment, and increasing production and service capacity, as well as green transition measures (such as the adoption of green technologies, the introduction of business models based on the circular economy, renewable energy sources, energy efficiency). This measure shall not support investments in installations falling within the scope of the EU Emission Trading System (ETS). The measure shall comprise of 4 financial instruments: 1) Direct microcredits from the Croatian Agency for SMEs, Innovation and Investments (HAMAG BICRO) up to EUR 100 000 for businesses that have difficulty accessing commercial bank loans, for a period of up to ten years, with concessional interest rates and lower loan collateral requirements. This financial instrument is expected to provide EUR 49 816 843 (HRK 375 744 000) of funding. A minimum of EUR 9 519 695 (HRK 71 726 143) shall be dedicated to supporting environmentally friendly production processes and improving resource efficiency in SMEs, EUR 7 916

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
				to carry out the investments and/or increase the scale of operations of economic operators.						199 (HRK 59 644 601) shall be used to help SMEs to digitalise their operations, and the remaining EUR 32 380 949 (HRK 243 974 260) shall be dedicated to investments aimed at strengthening competitiveness and resilience. This financial instrument shall be managed separately from other instruments of HAMAG BICRO to ensure that any unused funds or reflow from this instrument, through the reimbursement of the capital, shall be used for similar purposes and with the same eligibility conditions with regards to environmental impact. 2) Direct loans from the Croatian Bank for Reconstruction and Development (HBOR) above EUR 100 000 to specific target groups such as start-ups, young entrepreneurs, female entrepreneurs, investments in disadvantaged, economically less developed areas, and RDI, who, due to a higher degree of risk, do not have access to banking funding, with concessional interest rates and lower loan collateral requirements. This financial instrument is expected to provide EUR 66 361 404 (HRK 500 000 000) of funding. A minimum of EUR 12 681 260 (HRK 95 546 955) shall be dedicated to supporting environmentally friendly production processes and improving resource efficiency in SMEs, EUR 10 545 231 (HRK 79 453 045) shall be used to help SMEs to digitalise their operations, and the remaining EUR 43 134 913 (HRK 325 000 000) shall be dedicated to investments aimed at strengthening competitiveness and resilience. This financial instrument shall be managed separately from other instruments of HBOR to ensure that any unused funds or reflow from this instrument, through the reimbursement of the capital, shall be used for similar purposed and with the same eligibility conditions with regards to environmental impact. 3) Setting up an interest rate subsidy by HAMAG BICRO for easing lending conditions of bank loans granted to micro, small and medium-sized enterprises that use the existing HAMAG BICRO guarantee instruments. This financial instrument is expected to provide EUR 3 272 281 (HRK 24 655 001) of funding. A minimum

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										of EUR 625 313 (HRK 4 711 421) shall be dedicated to supporting environmentally friendly production processes and improving resource efficiency in SMEs, EUR 519 985 (HRK 3 917 827) shall be used to help SMEs to digitalise their operations, and the remaining EUR 2 126 983 (HRK 16 025 753) shall be dedicated to investments aimed at strengthening competitiveness and resilience. 4) Setting up an interest rate subsidy fund by HBOR for easing lending conditions of bank loans provided to micro, small and medium-sized enterprises that use the existing HBOR credit instruments. This financial instrument is expected to provide EUR 26 544 562 million (HRK 200 000 000) of funding. A minimum of EUR 5 072 504 (HRK 38 218 782) shall be dedicated to supporting environmentally friendly production processes and improving resource efficiency in SMEs, EUR 4 218 093 million (HRK 31 781 218) shall be used to help SMEs to digitalise their operations, and the remaining EUR 17 253 965 million (HRK 130 000 000) shall be dedicated to investments aimed at strengthening competitiveness and resilience. For projects contributing to the green transition, more favourable lending conditions are envisaged than for projects that do not focus on the green transition. Combining these financial instruments with financing from other EU or national sources shall be allowed under the condition that there is no double funding of the investment. The investment policy of all four financial instruments shall ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) of supported transactions under this measure through the use of sustainability proofing, an exclusion list, and the requirement of compliance with the relevant EU and national environmental legislation Out of the total amount of the measure: (i) a minimum of EUR 27 898 772 shall be allocated to supporting environmentally friendly production processes and resource efficiency in SMEs, with the expectation that at least EUR

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										11 128 934 shall go to reducing greenhouse gases; (ii) EUR 23 199 509 shall be dedicated to assisting SMEs in the digitalisation of operations; (iii) EUR 94 896 808 shall be dedicated to investments aimed at strengthening competitiveness and resilience.
17	C1.1.1. R4-I2	T	Loans/interest rate subsidies granted to micro, small and medium-sized enterprises		Number	0	750	Q2	2026	Providing 750 loans/interest rate subsidies by HAMAG BICRO to micro, small and medium-sized undertakings in accordance with the investment policy and eligibility criteria defined under Milestone #16.
18	C1.1.1. R4-I2	T	Loans/interest rate subsidies granted to micro, small and medium-sized enterprises		Number	0	350	Q2	2026	Providing 350 loans/interest rate subsidies by HBOR to micro, small and medium-sized undertakings in accordance with the investment policy and eligibility criteria defined under Milestone #16.
19	C1.1.1. R4-I3	M	Establishment of financial instrument to support investment by mid-caps and large companies	Agreement between the competent ministry (MINGOR or MINFIN) and HBOR to provide favourable (incentivising) financing conditions and guarantees for investments and working capital necessary to make the investments and/or increase				Q1	2022	A new ‘umbrella’ guarantee fund shall be set up, targeting mid-caps and large enterprises, to issue individual or portfolio guarantees for investment loans and working capital loans necessary for the implementation of investments and the growth of mid-caps and large entities. The total allocation for the umbrella guarantee fund shall amount to EUR 59 633 685 Any unused funds or reflow from this instrument, through the reimbursement of the capital, shall be used for similar purpose and with the same eligibility conditions with regards to environmental impact. A fund of interest subsidies on loans granted and fees/premiums issued on mid-caps and large entities shall be set up, with a total allocation of EUR 46 544 562, to stimulating new investment and business growth. The proposed measures include cooperation with financial intermediaries (banks and leasing companies) to achieve a

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
				the scale of economic activity published.						"crowding in private sector" effect. Both financial instruments shall ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) of supported transactions under this measure through the use of sustainability proofing, an exclusion list, and the requirement of compliance with the relevant EU and national environmental legislation. This measure shall not support investments in installations falling within the scope of the EU Emission Trading System (ETS). Beneficiaries that derived more than 10% of their revenues during the preceding financial year from activities or assets in the exclusion list shall adopt and publish green transition plans. Out of the total amount of the measure: (i) a minimum of EUR 26 544 562 shall be allocated to supporting environmentally friendly production processes and resource efficiency in mid-cap and large enterprises, with the expectation that at least EUR 10 617 824 shall go to reducing greenhouse gases; (ii) EUR 79 633 685 shall be dedicated to investments aimed at strengthening competitiveness and resilience The financial instruments shall be used for investments in new, up-to-date and advanced technologies (machinery and equipment), in the expansion and strengthening of business capacity (expansion of manufacturing and service facilities and capacities), with a preference for projects in renewable energy, energy efficiency, circular economy, environmental protection, digitalisation of production, procurement and sales processes.
20	C1.1.1. R4-I3	T	Number of granted projects for mid-caps and large enterprises		Number	0	75	Q2	2026	At least 75 projects (totalling at least EUR 331 807 021) of mid-caps and large entities backed by guarantees/subsidies from the RRF of the guarantee fund for investments and working funds for projects in accordance with the investment policy and eligibility criteria under the Milestone 19.
21	C1.1.1. R4-I4	M	Establishment of financial instrument	Agreement between the				Q2	2022	Financial support to companies and institutions owned by the State or local, regional and regional government units with favourable

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			for more favourable financing of public entities	competent ministry (MINGOR or MINFIN) and HBOR containing eligibility and compatibility criteria for activities and beneficiaries of the measures						conditions to stimulate investment in (i) the necessary economic, municipal, transport and social infrastructure, and (ii) investments in new technologies and systems necessary to increase the efficiency of public sector entities, with a view to improving the quality of public services and reducing the cost of public sector financing. The measure shall also include investments in green transition projects of the public sector, such as the adoption of green technologies, the introduction of circular economy business models, renewable energy sources, energy efficiency. The financial instruments shall ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) of supported beneficiaries under this measure through the use of sustainability proofing, the requirement of compliance with the relevant EU and national environmental legislation, and the requirement for beneficiaries that derived more than 10% of their revenues during the preceding financial year from activities or assets in the exclusion list to adopt and publish green transition plans. This measure shall not support investments in installations falling within the scope of the EU Emission Trading System (ETS). Out of the total amount of EUR 26 544 562 (HRK 200 000 000) allocated to the measure: (i) a minimum EUR 7 963 368, or 30%shall be aimed at supporting environmentally friendly production processes and resource efficiency in the public sector, with the expectation that at least EUR 3 185 347 shall go towards reducing greenhouse gases; (ii) EUR 18 581 193 shall be dedicated to investments aimed at enhancing the sustainability and quality of infrastructure. This distribution of funds shall be defined both in the HBOR contract but also in the contracts with financial intermediaries (banks and leasing companies).

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
22	C1.1.1. R4-I4	T	Credits granted for public sector projects		Number	0	132 722 808	Q2	2026	Provision of at least EUR 132 722 808 of subsidised loans by HBOR for public sector projects in accordance with the investment policy and eligibility criteria under Milestone #21.
444	C1.1.1. R4-I5	M	Investment policy for strategic digital investments and strategic green investments	Adoption of an investment policy				Q4	2025	Adoption of a new investment policy for HBOR for the use of the additional equity. The Investment Policy shall ensure that EUR 74 303 410 of the additional equity shall be dedicated to supporting strategic green investments, aligned with the intervention fields assigned a 100% climate coefficient under Annex VI of Regulation (EU) 2021/241, which may include, but it is not limited to, support to new capacity of: i) wind renewable energy sources installed and connected to the grid. Hybrid projects with energy storage shall also be eligible. ii) photovoltaic renewable energy sources installed and connected to the grid. Hybrid projects with energy storage shall also be eligible. iii) renewable energy sources installed and connected to the grid (excluding wind photovoltaic but including geothermal energy). In case of geothermal energy, the drilling shall not include any exploration or extraction of oil or gas. There shall be no equipment purchased or used for such purposes. It shall be ensured, that methane releases are minimised and remain well below the threshold of 20,000 tonnes CO2eq/year. It shall also be ensured, that the geothermal drilling has no harmful impact on water scarcity and water quality. The Investment Policy shall ensure that EUR 203 094 958 of the additional equity shall be dedicated to supporting strategic digital investments, aligned with the intervention fields assigned a 100% digital coefficient under Annex VI of Regulation (EU) 2021/241, which may include, but it is not limited to, support to digitizing enterprises, including e-Commerce, e-Business and networked

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B.
445	C1.1.1. R4-I5	M	Equity injection for strategic digital investments and strategic green investments	Certificate of transfer				Q2	2026	Croatia shall transfer EUR 277 398 368 to the HBOR to increase its equity. Beyond the equity injection into the HBOR which constitutes the RRF investment, Croatia shall transmit a report outlining the actions taken by the HBOR by 31 August 2026 to implement the investment policy, including the steps taken for the implementation of the financial products that the additional equity is expected to initially support, as well as the expected steps to be taken for further implementing those products.
23	C1.1.1. R5-I1	M	Creation of an equity and quasi-equity financing instrument (PE)	the Agreement published between the competent ministry (MINGOR or MINFIN) and HBOR for investments in VC funds, the increase of existing PE funds developed in cooperation with the EIF and/or the development of new funds and/or co-investments				Q4	2022	As part of the existing cooperation with the European Investment Fund (EIF), HBOR shall set up financial instrument aimed at increasing or reaching the maximum size of private equity and venture capital funds active in the Croatian market and setting up new funds and/or co-investments. Private equity and venture capital funds shall be set up with the participation 30% of private investors in relation to the target size of the individual fund. The financial instruments shall ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) of supported beneficiaries under this measure through the use of sustainability proofing, the requirement of compliance with the relevant EU and national environmental legislation, and the requirement for beneficiaries that derived more than 10% of their revenues during the preceding financial year from activities or assets in the exclusion list to adopt and publish green transition plan. This measure shall not support investments in installations falling within the scope of the EU Emission Trading System (ETS). All activities are directed towards 'financially viable' projects, the financial viability of which is determined by fund management companies in accordance with the investment policies set out by the EIF and HBOR. In implementing the investment, HBOR shall

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										ensure that resources are used in accordance with the limits described in the description of the measure as well as the 'exclusion' list described in the FI for SME, Mid-cap and Large Entities.
24	C1.1.1. R5-I1	T	Investments made in equity and quasi-equity instruments		Number	0	29 862 632	Q2	2026	A EUR 29 862 632 investment made in equity and/or quasi-equity PE and VC funds or co-investment with funds, all in accordance with the investment policy and eligibility criteria defined under the relevant Milestone #23.
25	C1.1.1. R6	M	Amendments to the legal framework	Entry into force of the Electronic Media Act and Law on Copyright and Related Rights				Q2	2022	The amendments to the Electronic Media Act and Law on Copyright and Related Rights shall support businesses in the field of cultural and creative sectors in adapting their businesses to the digital single market and the new EU and Croatian regulatory framework, strengthening the capacity to adapt to and rapidly transform into new business conditions, achieving competitiveness and tapping the potential of the market.
26	C1.1.1. R6-I1	T	Investments in the transformation and competitiveness of cultural and creative industries		Number	0	100	Q2	2026	At least 100 support measures granted to micro, small and medium-sized enterprises and other legal and natural persons in the field of cultural and creative industries to strengthen their capacity to adapt to the new regulatory and legislative framework of the Digital Single Market and to create, promote and distribute new innovative products and services.
27	C1.1.1. R6-I2	M	Setting up a system for fact-checking	Fact-checking system in place				Q2	2026	A system of media fact-checking shall be set up. The investment shall include: - A grant to the Electronic Media Agency for the establishment of a system for building fact-checking capacity, including developing procedures and rules, registers and databases for fact-checking purposes and developing technological programmes and platforms and media communication systems, strengthening the digital competence capacity of fact-checkers.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										- A grant for creating a database and setting up a system for publishing proprietary data and funding sources of media companies
28	C1.1.2. R1	M	Amending and supplementing the legal framework for R & D tax incentive	Entry into force of the Act amending the State Aid Act for research and development projects				Q4	2024	With a view to increasing the number of enterprises investing in R&D and increasing private investment in R&D, an analysis shall be carried out of the existing R&D tax incentive scheme. Amendments of the legal framework for R&D tax incentives to encourage the private sector to increase the intensity of its R&D investment, increase the number of beneficiaries of R&D tax incentives, simplify the procedures and reduce the administrative burdens, while improving transparency and accessibility, shall enter into force. Amendments to the State Aid Act shall be made on the basis of the results of the analysis carried out on the appropriateness and effectiveness of the current tax incentive system and shall involve relevant stakeholders, in particular MFIN and the Tax Administration. MINGOR shall prepare legal amendments and submit them to the parliamentary procedure.
29	C1.1.2. R2-I2	T	Support SMEs to upgrade management capacity		Number	0	150	Q4	2025	At least 150 small and medium-sized enterprises shall receive business advisory support to improve their business plans, their management capacity or individual business mentoring and coaching.
30	C1.1.2. R2-I3	T	Award of support to stimulate the growth of start-ups in high technology and knowledge sectors		Number	0	141	Q2	2025	Award of aid following evaluations for project proposals under the call for ‘non-repayable start-up aid’ with the aim of stimulating the growth of start-ups in the pre-commercial phase in the high technology and knowledge sectors through support for product development, increasing production capacity and investment readiness with at least 141 start-ups benefiting from the aid granted. This includes upgrading, design, performance validation, market validation, testing, development of pilot lines, intellectual property

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										protection and external services aimed at developing an innovative idea, as well as training on mitigation and risk assessment of funding needs. Funded activities may also include part of the costs of access to global business networks or clusters, the adoption of new marketing tools and access to new markets. Eligible beneficiaries shall include innovative SMEs, up to five years from registration, which are not generated by a merger and fall under the definition of an innovative SME according to the General Block Exemption Regulation (GBER).
31	C1.1.2. R2-I4	T	Supporting the growth of start-ups through the establishment of accelerator programme.		Number	0	120	Q2	2026	The Accelerator Programme shall provide mentoring, support for investment and access to investor networks for at least 120 start-ups over a period of at least three months.
32	C1.1.2. R2-I5	T	Support to projects for the commercialisation of innovation		Number	0	95	Q4	2024	Granting aid to at least 95 small and medium-sized enterprises with mature innovation projects (Technology Readiness Level 7 or higher) for the commercialisation and internationalisation of their marketing, sales and distribution activities related to an innovative product launched onto the domestic market. This target investment shall support the adaptation of a developed product or service and the preparation for their launch on the market. Eligible activities for the adaptation of a developed product include additional testing and integration of test results into the final product, advisory services, capacity building, feasibility studies audits, product design, and intellectual property rights protection. Eligible activities for the preparation of product launches include preparation or revision of a business plan or marketing plan, market research and testing, product testing with potential customers, production preparation and investment in zero series product, and operational marketing activities.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										It shall support SMEs with mature innovation projects that are close to market launch and is expected to prioritise proposals that contribute to the green transition.
33	C1.1.2. R3-I2	T	Grant support in the form of vouchers		Number	0	1 500	Q2	2026	At least 1 500 SMEs benefiting from support vouchers for digitalisation. Vouchers shall be used to help employees improve digital skills, including skills related to cloud technologies, test the sustainability of ideas and design strategies for possible digital transformation, acquire digital marketing services, increase cybersecurity by introducing security checks of the system or for development or deployment of complex digital products and services
34	C1.1.2. R3-I3	T	Grant support for the digital transformation of Croatian SMEs		Number	0	360	Q2	2026	Contracts shall be signed with at least 360 SMEs awarding grants for business digitalisation projects. An eligible business digitalisation project shall include the following: (i) introduction of a new way of doing business; or (ii) a verifiable improvement in terms of new production capacities or delivery options or business practices.

A.3. Description of the reforms and investments for the loan

Reform C1.1.1 R5 – Diversifying capital markets and improving access to alternative financing

The objective of this measure is to create a strategic framework and actions to develop the national capital market. The reform consists in adoption of a Strategy followed by an Action Plan.

Reform C1.1.1 R7 – Establishing the Sustainable Finance Support Forum

The objective of the reform is to strengthen the financial sector's contribution to the green transition and to support it in the implementation of regulatory requirements in the area of sustainable finance. The measure consists in adoption of an action plan and the establishment of a stakeholder platform.

Investment C1.1.1. R4-I6 Investment - Equity Injection into HBOR to Support Strategic Defence and Security Investments

This measure aims at supporting the growth potential of the Croatian economy by structurally adjusting the level of public support available to address market failures and inefficiencies within the economy in the area of defense and security.

The measure shall consist of an equity injection of EUR 133 214 015 into the Croatian Bank for Restructuring and Development (HBOR).

HBOR shall adopt a new investment policy for the use of the additional equity. The investment policy shall include the description of the financial product(s) with the expected type of eligible final beneficiaries that the additional equity is expected to initially support, including the expected timeline for the implementation and expected amount of each financial product. HBOR shall use for the additional equity the same audit and control system that was positively assessed by the Commission in accordance with Article 157 of Regulation (EU, Euratom) 2024/2509.

The Investment Policy shall require that the financial products that the additional equity supports, comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, for loans or equivalent instruments, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use[10], (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks[11], (iii) activities and assets related to waste landfills, incinerators[12] and mechanical

[10] Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01); (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation; (c) aircrafts used for civil protection or firefighting and special purpose vehicles that are based on the best available levels of environmental performance in the sector; and (d) the construction of new road connections, bridges and/or tunnels with an individual length of less than 20 kilometres and renovation of roads, bridges and/or tunnels.

[11] Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

[12] This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

biological treatment plants[13]. For equity, the investment policy shall exclude companies with a substantial focus[14] in the following sectors: (i) fossil fuel-based energy production and related activities[15]; (ii) energy-intensive and/or high CO2-emitting industries[16]; (iii) production, rental, or sale of polluting vehicles[17]; (iv) waste collection, waste treatment and disposal[18], (v) processing of nuclear fuel, production of nuclear energy. Furthermore, the investment policy shall require compliance with the relevant EU and national environmental legislation of the final recipients of the Facility.

The implementation of the measure shall be completed by 31 August 2026.

[13] This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

[14] It is considered that a Final Beneficiary has a "substantial focus" on a sector or business activity if gross revenue generated from the restricted sector or activity exceeds 50% of the gross revenue.

[15] Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

[16] Including activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

[17] Polluting vehicles are defined as non-zero-emission vehicles. This exclusion does not apply to aircrafts used for civil protection or firefighting and special purpose vehicles that are based on the best available levels of environmental performance in the sector.

[18] This exclusion does not apply to actions in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

A.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

No.	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
373	C1.1.1.R5	M	Adoption of the Strategic Framework for the Development of the Capital Market in Croatia and the accompanying Action Plan	The Strategic Framework and the Action Plan to support the development of the national capital market adopted by the Croatian Government				Q4	2024	The Ministry of Finance, in cooperation with the relevant stakeholders, shall draw up a Strategic Framework for the Development of the Capital Market in the Republic of Croatia and an Action Plan, to be adopted by the Croatian Government. The Action Plan shall accompany the Strategic Framework and shall include timelines for the implementation of individual activities. The Strategy (the Strategic Framework for the Development of the Capital Market in Croatia) shall provide an analysis of the state of the capital market in Croatia, identifying key obstacles to its functioning as an alternative source of financing and opportunities for its diversification and development. At least the following elements shall be addressed: i. The role of large institutional investors in the capital market, including second pillar institutions (in particular, mandatory pension funds and pension insurance companies) and insurance companies; ii. Expanding the possibilities and simplifying the procedures for listing, taking into account the state-owned enterprises, SMEs and mid-caps; iii. Increasing liquidity, diversification and turnover in the capital market, including fostering market making activity; iv. Fostering a deeper market for financial instruments, such as corporate bonds and government bonds, as well as commodity derivatives and securitisations;

No.	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										v. Developing existing financial market infrastructures, including options to improve the business model of the central counterparty; vi. Adapting the regulatory framework to better respond to the objective of developing the capital market; vii. Strengthening the investors' financial literacy; viii. Strengthening the framework for sustainable finance.
375	C1.1.1. R7	M	Adoption of the First Action Plan to support the objectives of sustainable finance	The First Action Plan with measures to support the objectives of sustainable finance adopted, setting out deadlines for implementation				Q1	2025	The Ministry of Finance shall develop a first Action Plan with measures and timelines for the implementation of individual activities which shall support the financial sector in serving the interests of the green transition, nd facilitate its timely preparation for new regulatory requirements and other initiatives in the area of sustainable finance. A joint platform called the Sustainable Finance Support Forum (SFSF) shall be established with the aim of exchanging information and interconnecting the financial sector (bank and non-banking) with line ministries, supervisors, experts and other stakeholders.
446	C1.1.1. R4-I6	M	Investment policy for strategic defence and security investments	Adoption of an investment policy				Q4	2025	Adoption of a new investment policy for HBOR for the use of the additional equity. The Investment Policy shall ensure that EUR 133 214 015 of the additional equity shall be dedicated to supporting investments in the strategic

No.	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										defence and security sectors of the Croatian economy, which may include, but it is not limited to, support to: (i) construction of protective structures and civil protection infrastructure; (ii) construction and modernization of dual-use infrastructure; (iii) investments in cybersecurity; (iv) modernization of enterprises; (v) support for research and development (R&D).
447	C1.1.1. R4-I6	M	Equity injection for strategic defence and security investments	Certificate of transfer				Q2	2026	Croatia shall transfer EUR 133 214 015 to the HBOR to increase its equity. Beyond the equity injection into the HBOR which constitutes the RRF investment, Croatia shall transmit a report outlining the actions taken by the HBOR by 31 August 2026 to implement the investment policy, including the steps taken for the implementation of the financial products that the additional equity is expected to initially support, as well as the expected steps to be taken for further implementing those products.

B. COMPONENT 1.2: ENERGY TRANSITION FOR A SUSTAINABLE ECONOMY

The objective of this component of the Croatian recovery and resilience plan is to facilitate the decarbonisation of the energy and transport sectors, including development of innovative technologies, and contribute to achieving the 2030 target of 36.6% share of renewable energy sources that was set by Croatian National Energy and Climate Plan (NECP) and meeting Croatia's contribution to the EU energy efficiency target of 32.5% by 2030. It also aims to contribute to the increased target for the share of renewables in transport of 14% by 2030. The reforms in the component shall consist of legislave initiatives to (i) remove barriers and administrative procedures restraining the uptake of renewable energy sources; (ii) finalize the certification of the gas transmission system operator; and (iii) promote use of alternative fuels in transport, including hydrogen and advanced biofuels.

The reforms and investments of the component are expected to contribute to the green transition and to reaching the climate target by reducing greenhouse gas emissions in the energy and transport sectors, in line with the National Energy and Climate Plan.

These investments and reforms shall contribute to addressing the country-specific recommendations addressed to Croatia on the need to "focus investment-related policy on […] energy efficiency, renewables" (country-specific recommendation 3, 2019) and to "focus investment on the green […] transition, in particular on […] clean and efficient production and use of energy" (country-specific recommendation 3, 2020).

B.1. Description of the reforms and investments for non-repayable financial support

Reform C.1.2 R1 – Decarbonisation of the energy sector

The objective of the reform is to facilitate the decarbonisation of the energy and transport sectors and to support the national contribution to the Union renewable energy target. The reform shall include:

- Legislative amendments to the Electricity Market Act and High-Efficiency Cogeneration Act to alleviate regulatory and administrative hurdles constraining to development of renewable energy projects, based on the results of a thorough analysis of the existing bottleneck and following public consultations, as well as the introduction of a premium-based system for the support of investment in renewable energy sources, which shall facilitate additional 1500 MW of renewable energy supply (RES) capacity to be installed.

- Decision on issuing certificate to TSO Plinacro adopted by the Croatian national energy regulator (HERA) that shall complete the unbundling of the transmission activities in the gas market and that shall separate the supervision of the state-owned gas transmission system operator (TSO) from state-owned supply and production activities.

- Adoption of a new Act on Alternative Fuels in Transport to create a legislative framework for deployment of alternative fuels in the transport sector and promote the production and use of advanced biofuels and hydrogen in transport. The Hydrogen Development Strategy shall be developed, defining 2030 targets for production of green hydrogen in Croatia.

The reform shall be completed by 31 December 2024.

Investment C1.2 R1-I1 – Revitalising, building and digitising the energy system and supporting infrastructure to decarbonise the energy sector

The objective of this investment is to support electrification and decarbonisation of the energy sector and to upgrade the connection of the south-north grid in Croatia.

The investment consists in upgrading the high voltage network and the distribution network, upgrading of the underground cables connecting 6 islands to the mainland grid, the installation of smart meters, and the installation of new energy storage capacity.

Investment C1.2 R1-I2 – Fostering energy efficiency, heat and renewable energy to decarbonise the energy sector

The objective of this investment is to increase energy efficiency in industry and to increase the use of renewable sources.

The investment consists in exploring geothermal potential, support for energy efficiency and renewable energy use in industry for companies, and the adoption of the Energy Efficiency Programme.

Investment C1.2 R1-I3 – Hydrogen use and new technologies

The objective of this investment is to improve the use of hydrogen and new technologies in Croatia, in order to decrease greenhouse gas (GHG) emissions in transport sector and industry, by adopting the Alternative Transport Fuels Act and the Hydrogen Development Strategy.

This investment shall be completed by 31 March 2022.

B.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
36	C1.2. R1	M	Publication of an assessment document with recommendations to alleviate barriers and administrative procedures restraining to higher uptake of renewable energy sources	Publication of an assessment document by the Ministry of Economy and Sustainable Development				Q2	2022	The document shall provide an assessment and recommendations on policy measures that shall aim to alleviate barriers and administrative procedures restraining to higher uptake of renewable energy sources. The analysis and recommendations shall also include measures to promote the renewable self-consumption and renewable energy communities.
37	C1.2. R1	M	Entry into force of legislation and/or regulation to improve uptake of renewable energy sources, including introduction of a premium-based system for the support of renewable energy sources.	Entry into force of legislation and/or regulation				Q4	2022	Revised Electricity Market Act and High-Efficiency Cogeneration Act shall alleviate barriers and administrative procedures restraining higher uptake of renewable energy sources, including measures to promote the renewable energy self-consumption and renewable energy communities. Premium-based system for the support of renewable energy sources will be fully operational.
38	C1.2. R1	M	Plinacro certification by Croatian national energy regulator (HERA)	Decision on issuing a certirficate adopted by the Croatian national energy regulator (HERA)				Q4	2023	Full separation of the management of the gas transmission system operator (Plinacro) from the supply and production activities of the State and its certification by Croatian national energy regulator (HERA).

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
39	C1.2. R1-I1	M	Construction permit granted for the upgrade of the high voltage network	Construction permit granted by the Ministry of Physical Planning, Construction and State Assets				Q2	2023	Construction permit granted, following screening and/or appropriate assessment pursuant to Article 6(3) of the Habitats Directive, performed against the site specific conservation objectives in accordance with the requirements of the Directive. Evidence shall be provided that the project does not have a significant effect on the integrity of the Natura 2 000 sites concerned.
40	C1.2. R1-I1	T	Upgrade of underground cables connecting 6 islands to the mainland grid completed		Number	0	6	Q2	2024	At least six islands shall have an upgraded electricity network connection to the mainland (the planned islands are Krk, Cres, Lošinj, Brač, Hvar and Korčula). The investment will include replacement of old submarine cables with new, environmentally friendly cables
41	C1.2. R1-I1	T	The upgrade of the high voltage network (220/110 kV) completed	Completion of the upgrading of the high voltage and medium voltage network (220/110 kV)	km	0	300	Q3	2024	At least 300 km of high voltage power line upgraded, which shall contribute to strengthening the grid connections.
42	C1.2. R1	T	An additional 1500 MW of RES capacity installed		Number	0	1 500	Q4	2024	At least 1 500 MW of new RES capacity installed.
43	C1.2. R1-I1	T	Number of smart meters installed		Number	0	40 000	Q4	2024	At least 40 000 smart meters of electricity have been installed.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
376	C1.2. R1-I1	T	Number of smart meters installed		Number	40 000	100 000	Q2	2026	At least 60 000 smart meters of electricity have been installed.
44	C1.2. R1-I1	M	The upgrade of the high voltage network (220/110 kV) and of distribution network	High voltage network (220/110 kV) and distribution network upgraded				Q2	2026	Proof of upgrade of at least 250 km of high voltage power line and 96 km of submarine cables for distribution network shall be provided.
377	C1.2. R1-I1	M	New energy battery storage capacity	New energy battery storage capacity installed		0		Q2	2026	Proof of installation of new energy battery storages of 100 MhW capacity shall be delivered.
45	C1.2. R1-I2	M	The adoption by the Government of an Energy Efficiency Programme for decarbonising the energy sector	Entry into force of Energy Efficiency Programme for decarbonising the energy sector, developed by Ministry of Economy and Sustainable Development				Q3	2021	Energy efficiency programme shall define areas of investment in energy efficiency and district heating systems, including investment priorities up until 2030. Investment planning shall include modernisation of district heating systems and energy-intensive industries, focusing on energy efficiency and renewable energy potential. The programme will be aligned with planned update of the National Energy and Climate Plan, which will specify higher target for the share of renewables in the heating and cooling sector, including specific measures.
46	C1.2. R1-I2	T	Number of companies receiving support for energy efficiency and renewable energy use in industry		Number	0	50	Q4	2021	50 contracts awarded to the beneficiary companies, following a public tender to support renewable energy sources and energy efficiency measures in small, medium-sized and large enterprises. The contracts shall include measures to improve production processes in manufacturing industries and corresponding to climate tracking intervention fields [024 - Energy efficiency and

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										demonstration projects in SMEs and supporting measures and 024bis - Energy efficiency and demonstration projects in large enterprises and supporting measures] of Annex VI/VII] and shall respect the DNSH Technical Guidance (2021/C58/01). In particular, implementation of energy efficiency and/or renewable energy measures shall lead to a minimum reduction of 20% in the energy consumption in production facilities. For energy renovation of buildings accompanying the production facility, which are exclusively linked to industrial or production processes, the implementation of measures shall lead to a minimum reduction of 40% of energy consumption. In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the list of activities shall be excluded from the measures stipulated in the contracts: (i) activities related to fossil fuels, including downstream use[1]; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks[2]; (iii) activities related to waste landfills, incinerators[3] and mechanical biological treatment plants[4]; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be stipulated in the contracts.
47	C1.2. R1-I2	T	Contracts signed for exploring geothermal potential		Number	0	6	Q4	2024	Six contracts shall be signed for the exploration of geothermal potential. Additional two contracts will be signed for drilling of the exploratory geothermal wells.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										The project will not include any exploration or extraction of either oil or gas. There shall be no equipment purchased or used for such purposes It shall be ensured, that there is no methane releases. It shall also be ensured, that the geothermal drilling would have no harmful impact on water scarcity and water quality. This measure does not foresee support to district heating systems using fossil energy sources nor any investments in installations falling within the scope of the EU Emission Trading System (ETS).
48	C1.2. R1-I2	M	Results of geothermal potential for district heating made publicly available	Results published on the website of the Croatian Hydrocarbon Agency				Q4	2025	The results of the exploratory activities shall be made publicly available, published on website of the Hydrocarbon Agency.
49	C1.2. R1-I3	M	Entry into force of the Alternative Transport Fuels Act	Entry into force of the Alternative Fuels for Transport Act				Q3	2021	By 3Q/2021, the Alternative Transport Fuels Act entered into force and in line with the EU acquis. The Act shall promote the production and use of advanced biofuels/hydrogen in transport.
50	C1.2. R1-I3	M	Adoption of the Hydrogen Development Strategy	Entry into force of the Hydrogen Strategy for Croatia				Q1	2022	The Hydrogen Development Strategy shall include quantified targets on the production potential of green hydrogen by 2030, based on electrolysis. The strategy shall in particular elaborate on the potential role of green hydrogen in decarbonisation of the transport sector.

C. COMPONENT 1.3: IMPROVING WATER MANAGEMENT AND WASTE MANAGEMENT

The aim of this component of the Croatian recovery and resilience plan is to contribute to environmental preservation, preserving biodiversity and climate adaptation, therefore creating conditions for strengthening ecological, social and economic resilience.

Planned investments under component 1.3 are aimed at reducing the investment gap in the water and waste management sectors estimated at almost 7% of Croatia's 2019 GDP. Investments shall be supported by reforms to consolidate the water sector and improve water management across Croatia. In addition, new waste legislation and waste management plans shall be adopted to promote the circular economy in line with the new EU Circular Economy Action Plan.

These investments and reforms shall contribute to addressing the country specific recommendations addressed to Croatia in 2019 and 2020, on the need to "focus investment-related policy on […] environmental infrastructure, taking into account regional disparities" (country-specific recommendation 3, 2019) and to "focus investment on the green […] transition, in particular on environmental infrastructure" (country-specific recommendation 3, 2020).

C.1. Description of the reforms and investments for non-repayable financial support

Reform C1.3 R1 – Implementation of the water management programme

The objective of this reform is to address the fragmentation of public water providers in Croatia. It aims to consolidate and reduce the number of water providers, in order to improve their efficiency and governance. This reform shall introduce a benchmarking system for monitoring and reporting the operational and financial performance of water service suppliers and contribute to improving the long-term sustainability of infrastructure investments.

This reform shall be implemented through the entry into force of amendments to four bylaws:

- the Services Areas Regulation,
- the Regulation on performance evaluation of water operators, including establishment of the benchmarking system
- the Regulation on the methodology for determining the pricing of water services, and
- the Regulation on specific conditions for the provision of water services.

The reform shall include the development of a multiannual investment programme for water and wastewater infrastructure to ensure the coherent implementation of investments C1.3 R1-I1 and C1.3 R1-I2, as well as complementarities with other EU funding.

The reform shall be completed by 31 December 2024.

Investment C1.3 R1-I1 – Public sewage development programme

The objective of this investment is to improve wastewater collection and treatment in Croatia.

This measure consists of construction and reconstruction of public sewerage networks, as well as construction of wastewater treatment plants. Investment C1.3 R1-I2 – Public water supply development programme

The objective of this investment is to improve water supply infrastructure.

This measure consists of construction and reconstruction of water supply pipelines and purchase of metering devices.

Investment C1.3 R1-I3 – Disaster risk reduction programme

The objective of this investment is to improve flood protection and biodiversity.

This measure consists of construction of flood defensive embankments and revitalisation of freshwater systems.

Reform C1.3 R2 – Implementation of sustainable waste management

The objective of this reform is to create a new legal framework to facilitate waste prevention, reuse and recycling, in order to accelerate the transition to circular economy.

This measure consists in entry into force of legislation and the adoption of waste management plans.

Investment C1.3. R2-I1 – Waste disposal reduction programme

The objective of this investment is to provide the necessary infrastructure to reduce landfilling and promote recycling.

This measure consists in the construction of relevant infrastructure.

Investment C.1.3 R2-I2 – Remediation programme for closed landfills and sites contaminated with hazardous waste

The objective of this investment is the remediation of ten closed landfills.

This measure consists in the remediation of at least ten closed landfills and/or sites contaminated with hazardous waste.

C.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
59	C1.3. R1	M	Adoption of the Multiannual Water and Urban Wastewater Treatment Construction Programme	Publication of Multiannual Water and Wastewater Construction Programme				Q4	2021	The Government of the Republic of Croatia shall adopt the multi-annual water and wastewater construction programme, which shall cover the necessary investments, including prioritisation, in order to comply with the requirements of the Urban Waste Water Treatment Directive. The plan shall also include an assessment of risks and mitigation measures.
60	C1.3. R1	M	Amendments to the legal framework in the water sector	Entry into force of four legal amendments to: i) Service Areas Regulation; ii) Regulation on Evaluation of Performance of Water Operators; iii) Regulation on the methodology for determining the pricing of water services; iv) Regulation on specific conditions for the provision of water services, which will reform public water operators;				Q4	2022	The Services Areas Regulation, the Regulation on performance evaluation of water operators, the Regulation on the methodology for determining the pricing of water services, and the Regulation on specific conditions for the provision of water services, shall be amended to create the legal precondition for consolidation of water operators. The Regulation on performance evaluation of water operators shall also include the legal basis for the creation of mandatory benchmarking system of utility companies, made publicly available, as well as for ensuring that at least summaries of annual audited reports of utility companies are made publicly available.
61	C1.3. R1	T	Integration of water service providers		Number	200	40	Q4	2024	Integration of the existing 200 public suppliers into 40, according to the principle of one water supplier per service area.

63	C1.3. R1-I1	T	Public sewerage network constructed or reconstructed		Number	0	115	Q2	2022	At least 115 km of public sewerage (drainage) network built or reconstructed The investment shall ensure compliance with the Urban Wastewater Treatment Directive in subject areas, in line with the Multiannual Water and Wastewater Construction Programme.
64	C1.3. R1-I1	T	Works contracts concluded for wastewater infrastructure projects		Number	0	60	Q4	2023	At least 60 works contracts shall be signed for wastewater infrastructure projects related to contracts to be awarded by the end of 2023. Environmental impact assessment shall be conducted in compliance with authorization procedures under EIA in accordance with Directive 2011/92/EU and with screening and/or appropriate assessment pursuant to Article 6(3) of the Habitats Directive. Evidence shall be provided that the project does not have a significant effect of the integrity of the Natura 2000 sites concerned.
65	C1.3. R1-I1	T	Wastewater treatment plants constructed		Number	0	12	Q4	2025	At least 12 wastewater treatment plants shall be upgraded or built.
66	C1.3. R1-I1	T	Public sewage network constructed or reconstructed		Number	0	807	Q4	2025	At least 807 km of public sewage (drainage) network built or reconstructed
68	C1.3. R1-I2	T	Public water supply network constructed or reconstructed		Number	0	226	Q2	2022	At least 226 km of public water supply network constructed or reconstructed. The investment consists in building drinking water supply systems with an average energy consumption of ≤ 0,5 kWh or an Infrastructure Leakage Index (ILI) of ≤ 1,5, and in renovating existing drinking water supply systems to decrease the average energy consumption by more than 20% or decrease leakage by more than 20%.

69	C1.3. R1-I2	T	Water metering devices installed at water abstraction sites		Number	0	526	Q4	2022	At least 526 metering devices installed at water abstraction sites, for measuring water quantities.
70	C1.3. R1-I2	T	Works contracts concluded for water supply projects		Number	0	100	Q4	2023	The number of works contracts signed for water-based projects relates to contracts to be awarded by the end of 2023. Environmental impact assessment shall be conducted in compliance with authorization procedures under EIA in accordance with Directive 2011/92/EU and with screening and/or appropriate assessment pursuant to Article 6(3) of the Habitats Directive. Evidence shall be provided that the project does not have a significant effect of the integrity of the Natura 2 000 sites concerned.
71	C1.3. R1-I2	T	Public water supply network constructed or reconstructed		Number	0	517	Q4	2023	At least 517 km of public water supply network constructed or reconstructed. The investment consists in building drinking water supply systems with an average energy consumption of ≤ 0,5 kWh or an Infrastructure Leakage Index (ILI) of ≤ 1,5, and in renovating existing drinking water supply systems to decrease the average energy consumption by more than 20% or decrease leakage by more than 20%.
72	C1.3. R1-I2	T	Public water supply network constructed or reconstructed		Number	0	1023	Q4	2025	At least 1023 km of public water supply network constructed or reconstructed. The investment consists in building drinking water supply systems with an average energy consumption of ≤ 0,5 kWh or an Infrastructure Leakage Index (ILI) of ≤ 1,5, and in renovating existing drinking water supply systems to decrease the average energy consumption by more than 20% or decrease leakage by more than 20%.

74	C1.3. R1-I3	T	Works contracts concluded for flood protection projects		Number	0	20	Q4	2022	At least 20 works contracts concluded for projects in the flood protection sector, related to contracts to be awarded by the end of 2022. Tender criteria shall focus on nature based solution measures and green infrastructure. The contracts shall ensure that projects will be implemented in accordance with the EU acquis and environmental regulations and the annexes to Commission Delegated Regulation (C(2021)2800 final) supplementing Regulation (EU) 2020/852. It is expected that this measure does no significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01). All activities shall comply with the requirements of EU water legislation as incorporated into the Croatian law. Environmental impact assessment shall be conducted in compliance with authorization procedures under EIA in accordance with Directive 2011/92/EU and with screening and/or appropriate assessment pursuant to Article 6(3) of the Habitats Directive. Evidence shall be provided that the project does not have a significant effect of the integrity of the Natura 2 000 sites concerned.
75	C1.3. R1-I3	T	Flood protective structures built		Number	0	13	Q4	2022	At least 13 km of flood protective structures built in order to protect against the harmful effects of water;
76	C1.3. R1-I3	T	Revitalised watercourses		Number	0	2	Q4	2022	At least 2 km of restored watercourses including revitalisation of abandoned sleeves, permanent river and sleeve contact and investment in related infrastructure.
77	C1.3. R1-I3	T	Flood protective structures built		Number	0	65	Q2	2024	At least 65 km of flood protective structures built in order to protect against the harmful effects of water.

78	C1.3. R1-I3	T	Revitalised watercourses		Number	0	16	Q2	2025	At least 16 km of restored watercourses including revitalisation of abandoned sleeves, permanent river and sleeve contact and investment in related infrastructure.
79	C1.3. R1-I3	T	Flood protective structures built		Number	0	77	Q4	2025	At least 77 km of flood protective structures built in order to protect against the harmful effects of water.
81	C1.3. R2	M	Adoption of the Waste Management Act	Entry into force of the Waste Management Act				Q3	2021	The new Waste Management Act shall regulate waste prevention, preparation for re-use and recycling in line with the concept of the circular economy and the European Green Deal. The Act will include specific measures to support circular economy, i.e. development of a circular economy roadmap, EPR schemes and pay-as-you throw schemes. The Act will address all Commission recommendations of the 2018 Early Warning Report for Croatia.
82	C1.3. R2	M	Revision of the Waste Management Plan of the Republic of Croatia for the period 2017-2022	Publication in the Official Gazette of the Republic of Croatia of Amendments to the Waste Management Plan of the Republic of Croatia for the period 2017-2022				Q4	2021	Adoption and publication of the Revised Croatian Waste Management Plan 2017-2022 in line with the new Circular Economy Action Plan, following public consultations. The revised Plan shall specify a target of 50% for waste recycling, sorting, reusing and repairing by 2022, as well as separate target for bio-waste collection and recycling. It shall also include specific measures to encourage ambition of local and regional units, such as communication actions to ensure effective separate collection at source, or digital aspects. The Plan shall include an assessment of current situation, existing collection schemes, and an investment gap assessment for the closure of landfills. It shall provide a prioritisation list for planned waste investments, capacity of future waste treatment installations, as well as information on how the future site locations will be determined. The plan shall also consider support to capacity-building for implementation of infrastructure projects.
83	C1.3. R2	M	Adoption of the Waste Management Plan of	Publication of the Croatian Waste				Q4	2022	Adoption and publication of Croatia’s waste management plan for the period 2023-2029 in conjunction with the new objectives laid

			the Republic of Croatia for the period 2023-2029	Management Plan 2023-2029 in the Official Gazette of the Republic of Croatia						down in the Waste Management Act and the Circular Economy Action Plan, following public consultations. The plan shall specify a target of at least 55% for waste recycling, sorting, reusing and repairing by 2025, and a target for collection and recycling of biowaste.
84	C1.3. R2-I1	T	Reduction of the share of municipal waste sent for disposal (49%)		% (Percentage)	66	49	Q4	2022	The share of municipal waste sent for disposal shall be reduced to 49 % as a result of investments in infrastructure to reduce landfilling, including the establishment of re-use centres, the construction of sorting facilities for separately collected municipal waste, the construction of bio-treatment facilities for separately collected bio-waste, the construction and equipment of civic amenity sites and recycling yards for construction waste, the acquisition of equipment for the separate collection of useful fractions of municipal waste.
85	C1.3. R2	T	Reduction of the share of municipal waste sent for disposal (51%)		% (Percentage)	56	51	Q4	2024	The share of municipal waste sent for disposal shall be reduced to 51% from 56% baseline reported in 2022. The share of municipal waste sent for disposal shall be calculated in line with the calculation methodology as stipulated in Implementing Decision (EU) 2019/1004 (rules for the calculation, verification and reporting of data on waste in accordance with Directive 2008/98/EC).
86	C1.3. R2-I1	T	Sorting facilities built		Number	0	6	Q4	2025	At least 6 sorting facilities built.
87	C1.3. R2-I1	T	Built facilities to treat separately collected bio-waste		Number	0	3	Q4	2025	At least 3 facilities built for the treatment of separately collected bio-waste.
88	C1.3. R2-I1	T	Functional fixed/mobile waste sorting site		Number	0	20	Q3	2025	At least 20 fixed or mobile waste sorting sites built or delivered.

90	C1.3. R2-I2	T	Remediation of landfills		Number	0	10	Q2	2026	At least 10 landfills/sites contaminated with hazardous waste remediated.
378	C1.3. R2-I1	M	Entry into force of the Regulation on Landfilling Tax	Provision in a Regulation on Landfilling Tax indicating its entry into force				Q4	2024	The Regulation on Landfilling Tax shall enter into force and shall prescribe a unit fee that enables the calculation of the landfilling tax in accordance with the Waste Management Act. The Regulation shall lay down provisions gradually increasing landfill tax to phase out landfilling of recyclable and recoverable waste and that the revenues shall be used in line with the Waste Management Act.
380	C1.3. R2-I1	T	Equipment for treatment of biowaste		Number	0	20	Q4	2025	At least 20 pieces of equipment for the treatment of biowaste shall be delivered. At least 30 pieces of equipment for recycling and/or reuse shall be delivered.
381	C1.3. R2-I1	T	Construction of waste transfer stations		Number	0	15	Q1	2026	At least 15 waste transfer stations shall be constructed.

C.3. Description of the reforms and investments for the loan

Reform C1.3 R3 – Further implementation of the water management programme

The objective of this reform is to further addresses the key policy challenges of the water sector in Croatia.

The reform consists of the adoption of legislation, the national plan and water operators' plans on reducing water losses in public water supply systems and the establishment of the national body for monitoring water losses.

Investment C1.3 R3-I1 – Further investments into the public sewage development programme

The objective of this investment is to additionally improve wastewater collection and treatment infrastructure.

This measure consists of additional construction and reconstruction of public sewerage networks, as well as construction of wastewater treatment plants.

The implementation of the investment shall be completed by 30 June 2026.

Investment C1.3 R3-I2 – Further investments into the public water supply development programme

The objective of this investment is to additionally improve water supply infrastructure.
This measure consist of additional construction and reconstruction of water supply pipelines.

Investment C1.3 R3-I3 – Further investment into the disaster risk reduction programme

The objective of this investment is to implement additional investments into the Disaster risk reduction programme.

This measure consists of construction of flood protective structures and revitalisation of freshwater systems.

C.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

No.	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
382	C1.3. R3	M	Adoption of National Water Loss Reduction Action Plan	National Loss Reduction Action Plan adopted by Croatian Waters				Q2	2024	Croatian Waters shall adopt the National Loss Reduction Action Plan and publish it on their webpage. The National Action plan shall include the list of planned activities to reduce the water losses, including investment estimates and sources of financing. The plan shall cover the time period 2024-2026, with a 2030 perspective in line with the 2030 Multiannual Water and Urban Wastewater Treatment Construction Programme.
383	C1.3. R3	M	National Authority for Monitoring Water Losses Established	Establishment of the National Authority for Monitoring Water Losses				Q4	2024	The National Authority for Monitoring Water Losses shall be established and shall have the authority to supervise the realization of the measures prescribed by the National Loss Reduction Action Plan and to verify water operators' water loss reduction action plans.
384	C1.3. R3	T	Adoption of water loss reduction action plans of water operators		Number	0	40	Q4	2025	At least 40 individual water loss reduction action plans of water operators shall be adopted. Each plan shall include organizational schemes and plans for educating employees, system data improvement measures, water supply system optimization measures, active leakage control measures, measures to address apparent losses, planning and mains replacement measures.
385	C1.3. R3	M	Entry into force of the Regulation on the Council for Water Services	Provision in the Regulation on the Council for Water				Q1	2024	The Regulation on the Council for Water Services shall enter into force. It shall stipulate the mandatory publication of the Council for Water Services' decisions, mandatory publication of competent interpretations of the Water Services Act, the Law on the Financing of Water

No.	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
				Services indicating its entry into force						Management and the by-laws of the regulator and shall also stipulate mandatory professional training of staff.
386	C1.3. R3	T	Capacity building of the Council for Water Services		Number	0	7	Q4	2024	The Council for Water Services shall recruit at least seven full-time staff, not including appointed councillors.
388	C1.3. R3-I1	T	Wastewater treatment plants constructed		Number	12	31	Q4	2025	At least 19 additional wastewater treatment plants shall be constructed.
389	C1.3. R3-I1	T	Public sewage network constructed or reconstructed		Number	775	851	Q4	2025	At least additional 76 km of public sewerage network shall be constructed or reconstructed.
391	C1.3. R3-I2	T	Public water supply network constructed or reconstructed		Number	956	1087	Q4	2025	At least additional 131 km of public water supply network constructed or reconstructed. The investment consists in building drinking water supply systems with an average energy consumption of ≤ 0.5 kWh or an Infrastructure Leakage Index (ILI) of ≤ 1.5, and in renovating existing drinking water supply systems to decrease the average energy consumption by more than 20% or decrease leakage by more than 20%.
440	C1.3 R3-I3	T	Flood protective structures built		Number	77	79	Q2	2026	At least additional 2km of flood protective structures built.
441	C1.3 R3-I3	T	Revitalised watercourses		Number	16	23	Q2	2026	At least additional 7 km of restored watercourses.

D. COMPONENT 1.4: DEVELOPMENT OF A COMPETITIVE, ENERGY SUSTAINABLE AND EFFICIENT TRANSPORT SYSTEM

The transport sector is one of the main emitters of greenhouse gases (GHG) in Croatia accounting for 27% of total emissions in 2018, of which road passenger transport accounted for 71,6%, road freight transport 24,7%, rail transport 0,8%, maritime and river transport 2,4% and domestic air traffic 0,5% of emissions. Modernisation of existing transport infrastructure through investments in environmentally sustainable, efficient, innovative and competitive types of transport, is expected to play a key role in the effective implementation of the green and digital transitions.

The objective of this component of the Croatian recovery and resilience plan is to develop a uniform transport network with developed railway and public transport infrastructure and intermodality between different modes of transport, increase the share of passenger cars powered by alternative fuels, reduce greenhouse gas emissions and environmental footprint of the transport sector, as well as foster sustainable mobility of people and goods.

This component shall include reforms and investments in all transport modes (rail, road, maritime, air, public urban and inland waterway transport) and cover all regions of Croatia.

These investments and reforms shall contribute to addressing the country-specific recommendation addressed to Croatia 'on the need to focus invest in the green and digital transitions' (country-specific recommendation 3, 2020) and 'on sustainable urban and rail transport' (country-specific recommendation 3, 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

D.1. Description of the reforms and investments for non-repayable financial support

Reform C1.4 R1 – Road sector reform

The objective of the reform is to reduce the operating costs of companies, align financial obligations with cash flows, increase road safety and thus reduce road mortality. The introduction of a new road toll system is expected to reduce greenhouse gas emissions by removing bottlenecks and dangerous places on roads. As a part of this reform, legislation governing the road sector shall be updated through the entry into force of the Amendment to the Roads Act.

The reform shall be completed by 31 December 2025.

Investment C1.4 R1-I2 – Improving the system of exercising the rights of persons with disabilities in the field of mobility

The investment aims to make it faster and easier for persons with disabilities to exercise their rights in the field of mobility by introducing a single document for persons with disabilities allowing them to exercise all mobility rights, to simplify the administrative environment for end-users of digital public services in the field of mobility and to improve access to digital public services for persons with disabilities. The investment also aims to enhance protection of users' personal data and to harmonise the decision-making practices affecting rights of people with disabilities in the field of mobility. The investment is expected to enable state institutions to more easily and comprehensively monitor the acquired rights and ensure efficient public access to all data. The investment is expected to reduce the labour costs of employees in state and local services by 15% to 35%.

The investment shall be completed by 31 December 2023.

Investment C1.4 R1-I3 – National road transport electronic storage and data exchange system (NSCP)

The objective of the investment is to increase the efficiency and sustainability of road transport.

The investment consists of the establishment of the National Road Transport Electronic Storage and Data Exchange System (NSCP).

Investment C1.4 R1-I4 – Reporting control system for road passenger and freight transport

The objective of the investment is to increase road safety by establishing a functional reporting control system for road passenger and freight transport. The reporting control system shall link data from the Tachograph Central Processing System (SOTAH) and the national records of tachograph cards and related records under the responsibility of the Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, and contribute to the digitalisation in Croatian transport sector.

The investment shall be completed by 31 December 2024.

Investment C1.4 R1-I5 – Monitoring of Transport of Dangerous Goods by Road (e-ADR)

The objective of the investment is to improve the transport of dangerous goods by road.

The investment consists of development of a monitoring system for transport of dangerous goods by road (e-ADR).

Reform C1.4 R2 – Reform of the railway sector

The reform aims at increasing the competitiveness and efficiency of the rail sector in order to provide better services to passenger and freight customers and increase Croatia's economic competitiveness. To underpin the reform, the Croatian Government shall adopt a Sectoral Policy Letter for the Railway Sector by 30 June 2021, presenting the way forward in key areas related to the reform and modernisation of the railway sector, and establishing implementation plans for the government and railway companies, including detailed measures and actions as regards:

- The governance of the sector;
- The management of railway companies and operations;
- Sectoral investment and financing planning;
- Development of knowledge, technologies and skills in the railway sector.

The reform shall be completed by 31 December 2025.

Investment C1.4 R2-I3 – Removing "bottlenecks" on railway infrastructure

The objective of the investment is to address bottlenecks in Croatia's rail network.

The investment consists of the removal of five bottlenecks on Croatia's railway network.

Investment C1.4 R2-I4 – Modernisation of Zagreb Kustošija – Zagreb ZK – Zagreb GK

The objective of the investment is to modernise the railway section of Zagreb Kustošija – Zagreb Zapadni Kolodvor – Zagreb Glavni Kolodvor, improving the quality and availability of local and regional rail passenger transport, better integrate railways into the public transport system of the City of Zagreb, as well as increase the share of rail and local public transport in the wider area of Zagreb City. The project shall contribute to achieving the objective of completing the core TEN-T network by 31 December 2030.

The investment shall be completed by 31 December 2024.

Investment C1.4 R2-I6 – Use of green technologies in rail passenger transport

The objective of the investment is to increase passenger transport by rail on non-electrified lines.

The investment consists of two prototype of battery trains produced.

Investment C1.4 R2-I7 – Modernisation of the IT systems

The objective of the investment is to increase the quality of the railway services.

The investment consists of the modernisation of the HŽ Passenger Transport IT systems.

Reform C1.4 R3 – Maritime and inland navigation reform

The objective of the reform is the development of sustainable and efficient maritime and inland waterway transport that shall contribute to increasing navigation safety, ensuring the revitalisation of inland waterways, improving transport connectivity of islands and improving port infrastructure in order to reduce the negative environmental impact of the transport sector. As a part of this reform, new Regular and Seasonal Coastal Transport Act, new Maritime Domain and Seaports Act and the new Inland Navigation and Ports Act shall enter into force.

The reform shall be completed by 31 December 2022.

Investment C1.4 R3-I1 – Modernisation programme for ports open to public traffic

The objective of the investment is to modernise port infrastructure and increase the quality of public maritime transport.

The investment consits of a new passenger terminal of the City Port of Split and the upgrading of the Port of Bol - Brač.

Investment C1.4 R3-I3 – Construction of new cable ferry 'Križnica', Municipality of Pitomača

The objective of the investment is to build a new cable ferry 'Križnica' across the River Drava in the Municipality of Pitomača, in order to ensure transport connectivity and encourage the development of less developed regions. The investment shall include a new, solar-powered electric cable ferry that shall both increase transport capacity and contribute to greening the transport sector.

The investment shall be completed by 30 October 2022.

Investment C1.4 R4-I1 – Procurement of alternative-fuel-powered vehicles for public urban and suburban regular transport

The objective of the investment is to modernise the public urban and suburban regular transport of passengers and to increase the use of zero and low emission vehicles.

The investment consists of the procurement of alternative-fuel powered buses (electric and/or hydrogen).

Investment C1.4 R4-I2 – Modernisation of tram fleet

The objective of the investment is to modernise the tram fleet in the cities of Osijek and Zagreb.

The investment consists of the delivery of new trams.

Investment C1.4 R5-I1 – Electrification and greening of the ground handling and power supply system at the Zadar airport

The objective of the investment is to ensure an environmentally sound system of aircraft ground handling and promote the use of renewable energy sources.

The investment consists of electrifying and greening aircraft ground handling at the Zadar Airport.

Investment C1.4 R5-I2 – Research, development and production of new mobility vehicles and supporting infrastructure

The objective of the investment is to increase transport safety while increasing the efficiency and reduce congestion and reduce overall pollutant emissions from motor vehicle transport in the city of Zagreb.

The investment consists of developing and implementing a new urban transport service of fully autonomous electric vehicles.

Investment C1.4 R5-I3 – Co-financing programme for the purchase of new alternative fuel vehicles

The objective of the investment is to increase the energy efficiency of road transport by reducing dependence on fossil fuels.

The investment consists of co-financing alternative powered vehicles (electrical and/or hydrogen).

D.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
91	C1.4. R1	M	The amendments to the Roads Act	Entry into force of the amendments to the Roads Act				Q3	2021	The Amendments to the Roads Act, shall inter alia: -Ensure the interoperability of electronic road toll systems on the whole Union road network, urban and interurban motorways, major and secondary roads and different structures, such as tunnels or bridges, and ferries; -Facilitate the cross-border exchange of vehicle registration data concerning vehicles and owners or holders of vehicles for which failure to pay any type of road toll has been identified in the Union; -Include provisions fostering increase of infrastructure used for bicycle traffic and pedestrian traffic; -Set criteria and conditions on pay toll cost coverage; -Address the exemptions from the obligation to pay the fees for the right to build and the right of easement on a public road, by removing these exemptions from the legislation. This shall create a level playing field in relation to such fees for all entrepreneurs.
92	C1.4. R1	M	The National Road Safety Program 2021-2030	The National Road Safety Program 2021-2030 adopted by the Croatian Government				Q3	2021	The objective of the National Road Safety Program 2021-2030, prepared by the Ministry of the Interior in cooperation with the Ministry of the Sea, Transport and Infrastructure and other line ministries, shall be to improve road safety in Croatia.
94	C1.4. R1-I2	T	Establishment of a functional system for the exercise of the rights of persons		% (Percentage)	0	50	Q4	2023	As part of the investment, which shall put in in place a functional system that makes it easier for people with disabilities to apply for all mobility rights in one place and ensures a faster processing of applications, a single document shall be established to allow persons with disabilities to use the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			with disabilities in the field of mobility							functional system and exercise the same rights throughout the territory of Croatia (invalidity e-card) and, at least 50% of the envisaged cards shall be issued to persons with disabilities who have rights in the field of mobility.
95	C1.4. R1-I3	M	Establishment of a national road transport electronic storage and data exchange system (NSCP)	National road transport electronic storage and data exchange system (NSCP) established				Q2	2026	National road transport electronic storage and data exchange system (NSCP) shall be put in place.
96	C1.4. R1-I4	M	Establishment of a well-functioning reporting control system for road passenger and freight transport	A well-functioning reporting control system for road passenger and freight transport established				Q4	2024	A well-functioning reporting control system for road passenger and freight transport shall be put in place, which shall connect data from the Tachograph Central Processing System (SOTAH) and the national records of tachograph cards and related records under the responsibility of the Ministry of the Sea, Transport and Infrastructure.
97	C1.4. R1-I5	M	Development of a monitoring system for transport of dangerous goods by road (e-ADR)	A system developed for monitoring transport of dangerous goods by road (e-ADR)				Q2	2026	A system for monitoring transport of dangerous goods by road (e-ADR) shall be developed. The system shall provide for monitoring transport of dangerous goods by road by introducing electronic transport permits and the use of tachographs.
98	C1.4. R2	M	Adoption of the Sectoral Policy Letter	The Sectoral Policy Letter for the Railway Sector adopted by the Croatian Government				Q2	2021	The Sectoral Policy Letter shall include: i) key objectives ii) a review of the envisaged improvements such as professionalization, transparency of operations and management activities, and iii) an implementation plan of the measures and actions to reform and modernise the railway

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										sector, such as: adoption of the Strategic Framework for the Railway Sector, of the National Plan for the Development of Railway Infrastructure and of the National Management Plan for Railway Infrastructure and Service Facilities; and development of rail transport services.
99	C1.4. R2	M	The National Plan for the Development of Railway Infrastructure and the National Management Plan for Railway Infrastructure and Service Facilities	The National Plan for the Development of Railway Infrastructure and the National Management Plan for Railway Infrastructure and Service Facilities adopted by the Croatian Government				Q4	2022	The National Plan for the Development of Railway Infrastructure shall determine projects and activities necessary for the development of railway infrastructure. The National Management Plan for Railway Infrastructure and Service Facilities shall determine projects and activities for management, organization of railway traffic regulation and development of railway transport services.
100	C1.4. R2	M	Reorganisation of the railway companies and business management	Management of railway companies and operations reorganised				Q4	2024	Reorganization of the management of railway companies and operations shall be finalised.
104	C1.4. R2-I3	T	Five bottlenecks removed on sections with the current constraint running speeds of 60 km/h		Number	0	5	Q4	2025	The investment shall result in the removal of five bottlenecks on sections with a current speed limit of 60 km/h.
105	C1.4. R2-I4	T	Double track railway line at		Number (km)	0	3,4	Q4	2024	Two-track railway line on the section Zagreb Kustošija - Zagreb Zapadni Kolodvor - Zagreb Glavni Kolodvor for a length of 3,4

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			Zagreb Kustošija - ZG Zapadni Kolodvor - Zagreb Glavni Kolodvor for a length of 3.4 km reconstructed and upgraded							km shall be reconstructed and modernised. Evidence shall be provided of compliance with authorization procedures under the EIA in accordance with the Directive 2011/92/EU.
107	C1.4. R2-I6	T	Two prototypes of battery trains produced		Number	0	2	Q4	2025	One prototype of Battery electric motor train (BEMV) and one prototype of Battery motor train (BMV) shall be produced, type-tested and obtain premission to operate. Six stable battery chargers will be constructed.
108	C1.4. R2-I7	M	Modernisation of HŽ Passenger Transport IT systems	IT systems of HŽ Passenger Transport modernised				Q2	2026	Modernisation of HŽ Passenger Transport IT systems shall include: • Installation of WIFI on 40 trains; • Installation of GPS system on 40 trains; • Upgrading of the sales system data centre; and • Purchase of equipment for the expansion and upgrade of the virtualization platform.
109	C1.4. R3	M	The new Regular and Seasonal Coastal Traffic Act	Entry into force of the new Regular and Seasonal Coastal Transport Act				Q3	2021	The new Regular and Seasonal Coastal Maritime Transport Act shall simplify the current administrative procedures and create better preconditions for a more efficient operation of public coastal maritime transport, by regulating the provisions relating to the activity of the Agency for Regular Coastal Maritime Transport, in particular in the section on the licensing of state

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										routes, as well as the better use and control of public transport IT systems (SEOP system).
110	C1.4. R3	M	The new Inland Navigation and Ports Act	Entry into force of the new Inland Navigation and Ports Act				Q3	2021	The new Inland Navigation and Ports Act shall allow for, where necessary to ensure safety of navigation, the identification of specific risks in (parts of) Croatia's inland waterway sectors.
111	C1.4. R3	M	The new Maritime Domain and Seaports Act	Entry into force of the new Maritime Domain and Seaports Act				Q4	2022	The new Maritime Domain and Seaports Act shall reorganise the structure of the port system open to public traffic, which aims to ensure uniformity in the implementation of the legal obligations to operate public ports and rationalise management costs.
112	C1.4. R3-I1	T	New passenager terminal at the City Port of Split and upgraded Port of Bol - Brač		Number	0	2	Q4	2025	New passenger terminal at the City Port of Split open to public traffic shall be built. The submarine and above-sea structural excavations and embankments of the main and secondary breakwater shall be constructed at the Port of Bol - Brač open to public.
114	C1.4. R3-I3	T	New cable ferry 'Križnica' operational across the River Drava in the Municipality of Pitomača		Number	0	1	Q4	2022	This investment shall result in the construction of a solar-powered electric cable ferry connecting the mainland to the island of Križnica, in operation with the approval of the Croatian Register of Shipping.
116	C1.4. R4-I1	M	70 alternative-fuel powered buses (electric and/or hydrogen)	70 alternative-fuel powered buses (electric and/or hydrogen) provisionally accepted		0		Q2	2026	Proof of provisional technical acceptance following their construction for 70 new alternatively powered buses (electric and/or hydrogen powered) shall be delivered.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
117	C1.4. R4-I2	T	30 new trams delivered for public transport		Number	0	30	Q4	2025	30 new trams shall be delivered.
118	C1.4. R5-I1	T	Electrifying and greening aircraft ground handling at the Zadar Airport		Number	0	1	Q4	2024	Electrifying and greening aircraft ground handling, which includes: (i) installation of fixed connections for supplying electrical power to stationary aircraft with the necessary design and safety adaptations (without the increase of the apron capacity); (ii) replacement of diesel-fuelled mobile ground handling equipment with electrically powered units; and (iii) the construction of a 610 kW photovoltaic power plant and connecting it with the fixed power supply system and charging stations for electrically powered mobile ground handling equipment. It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01). In particular the project shall be implemented without the increase of the apron capacity and diesel-fuelled mobile ground handling equipment shall be replaced with electrically powered units. Evidence shall be provided that the project does not have a significant effect on the integrity of the Natura 2 000 sites concerned.
119	C1.4. R5-I2	T	Verification prototypes of fully autonomous and		Number	0	60	Q1	2025	Verification prototypes shall be produced and tested, and autonomous driving systems shall be tested.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			electric vehicles and relevant testing							
120	C1.4. R5-I2	M	New legislation on autonomous driving	Entry into force of the new legislation on autonomous driving				Q2	2024	The new legislation on autonomous driving shall cover, inter alia, the following: Development of a national test procedure for autonomous driving; Adaptation of national road safety legislation to enable autonomous vehicles in circulation; Adaptation of national vehicle type-approval rules; Adaptation of road passenger safety rules to enable the carriage of passengers by autonomous vehicles; Adaptation of the national insurance legislation to enable the insurance of autonomous vehicles and services.
122	C1.4. R5-I2	M	New urban transport service of fully autonomous and electric vehicles adapted to the needs of disabled passengers and a specialised infrastructure	Fully autonomous and electric vehicles adapted to the needs of disabled passengers produced, and a specialised infrastructure operating with all installed functionalities				Q4	2025	New urban transport service consisting of: (i) a fleet of fully autonomous electric vehicles capable of performing all dynamic driving functions without any driver-person assistance with the help of artificial intelligence, (ii) the development and construction of a specialised infrastructure for the fleet of autonomous and electric vehicles integrated with public urban transport, and (iii) the development of a software platform to operate the complete system; shall be functional, allowing the operation of fully autonomous new electric vehicles. The fully autonomous new electric vehicle shall be adapted to the needs of disabled passengers by

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										having large sliding doors allowing easier entry into the vehicle and a luggage compartment that can accommodate wheelchairs.
123	C1.4. R5-I2	M	50 000 free of charge vouchers for trips with fully autonomous vehicle for persons with disabilities and/or facing difficulties in using other public transport means	Signed agreement with the city of Zagreb and the public transport operator for issuing 50 000 free-of-charge driving voucher				Q1	2026	Signed agreement with the city of Zagreb and the public transport operator for issuing 50 000 free-of-charge driving vouchers, valid for at least 5 years after issuance, for persons with disabilities and/or facing difficulties in using other public transport means, shall be delivered.
124	C1.4. R5-I3	M	2 000 alternatively powered road vehicles (electrical and/or hydrogen)	2 000 alternatively powered road vehicles co-financed				Q2	2026	Proof of co-financing of 2 000 new alternatively powered road vehicles (electrical and/or hydrogen) shall be delivered.

D.3. Description of the reforms and investments for the loan

Investment C1.4 R1-I1 – Electronic tolling system

The objective of the investment is to reduce road congestion, and increase environmental protection and road safety.

The investment consists in the delivery of a new electronic toll system.

D.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
93	C1.4. R1-I1	M	New electronic toll system	New electronic toll system delivered				Q2	2026	Software (such as Central IT system) and hardware (such as new tolling portals with cameras) of a new Electronic Toll System based on a multi-lane free flow solution (MLFF) without stopping vehicles with contactless payment methods for motorways operated by the Croatian Motorways Ltd, Highway Zagreb-Macelj (AZM) and BINA Istra, shall be delivered. The On Site First Installation Test of a new Electronic Toll System shall be conducted.

E. COMPONENT 1.5: IMPROVING THE USE OF NATURAL RESOURCES AND STRENGTHENING THE FOOD SUPPLY CHAIN

This component of the Croatian recovery and resilience plan aims at increasing food security and the competitiveness of the Croatian agri-food sector.

The component shall comprise of: (i) the establishment of a network of logistic infrastructure to strengthen the production market chain in the fruit and vegetables sector; (ii) the establishment of a system for agricultural land restructuring and consolidation; (iii) developing digital solutions in the agriculture sector; and (iv) improving food donation systems.

The component shall contribute to addressing the country-specific recommendation on the 'need to take all necessary measures and respond effectively to the pandemic, sustain the economy and support the recovery' (country-specific recommendation 1, 2020); 'on the need to increase access to digital services' (country-specific recommendation 2, 2020) and on 'prioritising the implementation and financing of public and potentially public-private investment projects to support the recovery of the economy' (country-specific recommendation 3, 2020).

E.1. Description of the reforms and investments for non-repayable financial support

Reform C1.5 R1 – Establishing a network of logistics infrastructure to strengthen the production market chain in the fruit and vegetables sector

The objective of the reform is to organise and link the supply of small farms through producer organisations to encourage pooling, cooperation, exchange of experience and knowledge. The reform is expected to improve the position of farmers in supply chains, particularly in the fruit and vegetable sector, and contribute to the development of products with greater added value. The reform shall include the adoption of the Operational Programme for strengthening the market capacity of the fruit and vegetables sector for the period 2021-2026 by the Croatian Government.

The reform shall be completed by 30 June 2026.

Investment C1.5 R1-I1 – Construction and equipping of logistic and distribution centres for fruit and vegetables

The objective of the investment is to improve competition in the sector of fruits and vegetables.

This measure consists of construction and putting into operation of the logistics distribution centres for fruits and vegetables.

Investment C1.5 R1-I2 Strengthening the position and visibility of producers in the food supply chain

The investment aims to enable producers to play a more important role in the governance and ownership structure of logistic and distribution centres.

This measure consists of trainings for producer organisations and establishing the recogniseable system for labelling of fruits and vegetables.

Reform C1.5 R2 – Improving the agricultural land restructuring and consolidation systems

The objective of the reform is to facilitate consolidation procedures and continuous monitoring of agricultural land, which shall create preconditions for the application of modern farming methods, for building infrastructure (such as network of field roads and melioration channels), and for dealing with property legal relations on agricultural land. The reform shall contribute to a more efficient use of agricultural land in agriculture, increasing the productivity and sustainability of agricultural

production with a focus on preserving the environment and improving life in rural areas. As a part of the reform, the new Act on Agricultural Land Consolidation shall enter into force.

The reform shall be completed by 31 March 2026.

Investment C1.5 R2-I2 – Agricultural Land Monitoring Programme

The aim of this investment is to ensure the conditions for the effective protection of agricultural land, the continued availability of data necessary for assessing the state of the soil and the implementation of the sustainable management policy.

This measure consists of upgrading the operational information system for monitoring agricultural land and establishment of 90 permanent land monitoring stations.

Reform C1.5 R3 – The digital transformation of agriculture

The objective of the reform is to make public services in agricultural sector more accessible to farmers by digitising these services, while also reducing the administrative burden. The reform shall include the setting up of a coordinating unit that shall plan and monitor the implementation of all investments and ensure the achievement of defined goals: digitalised public services, Smart Agriculture operational platform and publicly accessible traceability information system.

The reform is expected to contribute to increasing agricultural production, ensuring the quality and traceability of agricultural products and ensuring the application of agronomic practices that are sustainable in the long term for the climate and the environment.

The reform shall be completed by 31 December 2025.

Investment C1.5 R3-I1 – Deployment of digital public services

The objective of this investment is the digital transformation of at least 30 agricultural public services. The investment shall, inter alia, include the preparation of the Digital Transformation Action Plan, which shall be the basis for recording all agricultural services to be digitalised. At least 30 public services that shall be registered in the Action Plan shall be digitalised and made available to beneficiaries. The investment shall reduce the need for in-person services and shall contribute to creating digital public services for farmers.

The investment shall be completed by 31 December 2024.

Investment C1.5 R3-I2 – Smart Agriculture

The aim of this investment is to support the digital transformation of Croatia’s agricultural sector.

This measure consists of creating a Smart Agriculture platform.

Investment C1.5 R3-I3 – Traceability System

The objectives of the investment are to further promote sustainable farming, especially by small local producers, and to further inform consumers of the importance and availability of products obtained in a sustainable way, at local levels throughout Croatia. The investment is expected to have a positive impact on rural development in a number of local communities and contribute to increasing consumer confidence in locally produced and sustainable food products. The investment shall include the setting up of a national traceability information system that shall be accessible to the public.

The investment shall be completed by 31 December 2024.

Reform C1.5 R4 – Improving food donation systems

The objective of the reform is to promote the circular economy in the agri-food sector, to reduce food waste and increase food security for the poorer by improving the food donation system. The reform shall include the establishment of a food bank, the strengthening of the infrastructure capacity of intermediaries in the food donation chain, the launching of an online platform for food waste prevention, upgrading the food donation IT system, the conclusion of voluntary food waste prevention agreements between relevant authorities and stakeholders in food supply chain, academia, scientific community and civil society organizations, as well as the implementation of an information and education campaign on food waste prevention and food donation.

The reform shall be completed by 31 December 2023.

Investment C1.5 R4-I1 – Infrastructural equipping of food bank and intermediaries in the food donation chain

The objective of the investment is strengthening the infrastructure capacity of intermediaries in the food donation chain and the food bank in order to create the basic preconditions for increasing the quantities of donated food, thereby contributing to reducing food waste and increasing food security for poorer population groups. The investment shall include the implementation of Support Schemes for the infrastructure equipping of food banks and intermediaries in the food donation chain, developed by the Ministry of Agriculture and adopted by the Croatian Government.

The investment shall be completed by 31 December 2023.

E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
126	C1.5. R1	M	The Operational Programme for strengthening the market capacity of the fruit and vegetables sector for the period 2021-2026	Entry into force of the decision of the Croatian Government on the adoption of the Operational Programme for strengthening the market capacity of the fruit and vegetables sector for the period 2021-2026				Q4	2021	In order to implement the measure aimed primarily at strengthening the role and management capacity of producers organisations (POs) in the fruit and vegetable production and marketing chain, the Operational Programme for strengthening the market capacity of the fruit and vegetables sector for the period 2021-2026 shall be adopted by the Croatian Government. It shall include the implementation of the following measures: (i) Construction and equipping of logistic fruit and vegetables distribution centres and (ii) Strengthening the positon and recognition of producers in the fruit and vegetables supply chain.
127	C1.5. R1-I1	T	A logistic distribution centre (LDC) built and operational		Number	0	1	Q4	2023	The built Logistic Distribution Centre (LDC) shall include a refurbishment part intended for the reception of the product, cleaning, washing, sorting and packaging, as well as a storage part of suitable reception and storage capacity under chilling and long-term storage and a certain level of processing of the product. Primary processing of fruit and vegetables is planned to make use of products of a non-standardised quality and thus avoid food waste (waste). The storage capacity of the LDC shall be at least 3 000 up to maximum 12 000 tonnes. The measure concerns the construction of a new building, with a Primary Energy Demand (PED) that is at least 20% lower than the nearly zero energy building (NZEB).
128	C1.5. R1-I1	T	At least three logistic distribution centre (LDC) built and operational		Number	1	3	Q1	2026	The 3 built Logistic Distribution Centre (LDC) shall include areas for the reception of the product, cleaning, sorting and packaging, as well as a chilled storage capacity and a certain level of processing of the product. The storage capacity of each LDC shall

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										be at least 3 000. The measure concerns the construction of a new building, with a Primary Energy Demand (PED) that is at least 20% lower than the nearly zero energy building (NZEB) and use the renewable energy sources.
129	C1.5. R1-I2	T	Training for producer organisations		Number	0	3	Q2	2026	At least 3 producer organisations (PO) involving at least 15 people, shall have participated in training in the field of management and finance of producer organisations (POs) linked to the logistic distributive centre.
130	C1.5. R1-I2	M	System for the labelling of fruit and vegetables	Document issued confirming the compliance of new lable with quality schemes labeling requirements	Number	0	1	Q2	2026	A system for creating recognizable labels on the fruit and vegetable market shall be approved. The system shall be voluntary and complementary with already existing quality scheme developed by the Ministry of Agriculture.
131	C1.5. R2	M	New Act on Agricultural Land Consolidation	Entry into force of the new Act on Agricultural Land Consolidation				Q1	2022	The envisaged new Act on Agricultural Land Consolidation shall, inter alia: • Introduce conditions for simplifying the consolidation process, • Reduce the number of participating bodies, • Shorten the time needed to carry out activities in the framework of the allocation, • Apply information technologies and connect to existing and new databases of various stakeholders, while creating a soil quality database.
133	C1.5. R2-I2	T	Upgrade of operational information system for monitoring agricultural land		Number	0	90	Q2	2025	The Programme for permanent monitoring of the condition of agricultural land shall be established. The results of the programme shall indicate the crisis areas where soils are exposed

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			and establishment of 90 permanent stations to monitor the condition of agricultural land							to threats. The upgrade of the information system for monitoring agricultural land shall enable obtaining comparable parameters. At least 90 stations shall be set up as part of the upgraded system to monitor the condition of agricultural land and shall cover all agricultural sub-regions.
134	C1.5. R3	M	Establishment of a Unit for Implementation and Management of Digital Transformation Projects in the Ministry of Agriculture	Decision taken by the Minister of Agriculture to set up a Unit for Implementation and Management of Digital Transformation Projects in the Ministry of Agriculture				Q4	2021	The established unit, in cooperation with the relevant authorities (Paying Agency, Croatian Agency for Agriculture and Food and Central State Office for the Development of Digital Society) shall plan and monitor the implementation of all investments, in order to ensure the achievement of: at least 30 digitalised public services, operational Smart Agriculture platform and publicly accessible traceability information system.
135	C1.5. R3-I1	T	Digitalisation of at least 30 public services in agriculture listed in the Action Plan for the Digital Transformation of Agricultural Public Services		Number	0	30	Q4	2024	The Digital Transformation Action Plan shall be the basis for recording all agricultural services to be digitalised. The action plan shall include a model and a transformation process for each public service recorded. At least 30 public services that shall be registered in the Action Plan and supported under the Croatian recovery and resilience plan, shall be digitalised and made available to beneficiaries. The action plan shall define the individual public services to be digitalised through the implementation of the project. At least 30 services shall be digitalised and made available to beneficiaries.
136	C1.5. R3-I2	M	Setting up a Smart Agriculture platform	A fully operational Smart Agriculture platform				Q4	2025	A Smart Agriculture platform shall be tested and made available to the beneficiaries. The Smart Agriculture platform shall offer up-to-date, structured and timely information directly from fields and farms.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
137	C1.5. R3-I3	M	Establishment of a traceability information system	Traceability information system operational and accessible to the public				Q4	2024	The planned traceability information system shall enable better informing of consumers in form of monitoring the traceability of agricultural and food products. The system shall be voluntary and shall be used for unifying and facilitating information tracking, facilitating business and providing information to consumers via QR code. The system shall be designed to connect with other e-systems and continuously update information on traceability. The system shall also have the potential to record information on traders and intermediaries who may never come into physical contact with the product.
138	C1.5. R4	M	The online platform for food waste prevention and upgraded food donation IT system	The online platform for food waste prevention and upgrade of the technical solution for the IT system for food donation are operational and available to public				Q2	2022	The online platform on food waste prevention and reduction shall be launched to disseminate best practices, raise awareness and educate about the issue of food waste and food donation. The food donation IT system, which is already in operation, shall be upgraded with new functionalities, of which the possibility of regional governance of the system and statistical representation of data are highlighted.
139	C1.5. R4-I1	M	Support Scheme for the infrastructure equipping of food banks and intermediaries in the food donation chain	Support Scheme for the infrastructure equipping of food banks and intermediaries in the food donation chain implemented and funds disbursed				Q4	2023	The Support Scheme shall be put in operation following a public call and contracts concluded, through disbursement of the funds, which shall be used for the construction and refurbishment of storage facilities, storage equipment and furniture, cooling and food storage equipment, fork-lift trucks, refrigerated vehicles, vehicles and IT equipment.

F. COMPONENT 1.6: DEVELOPING SUSTAINABLE, INNOVATIVE AND RESILIENT TOURISM

The COVID-19 pandemic has had a very negative impact on the tourism sector both globally and in Croatia. As a strategic activity in Croatia, tourism accounts for 11,4% direct share of GDP and recorded a 55% decrease in the number of nights in 2020 compared to the previous year. In view of these effects of the crisis and changing demand expectations, the aim of this component of the Croatian recovery and resilience plan is to transform and modernise the tourism sector while increasing its competitiveness, sustainability and resilience by achieving the following overarching objectives:

- Increase the resilience and sustainability of the tourism sector through supporting the green and digital transitions.
- Contribute to the recovery of the tourism sector from the COVID-19 crisis by improving accommodations capacity and social and territorial cohesion.
- Increase the circular economy in tourism and fostering responsible consumption and increase the indirect effects of tourism on related activities.

The component supports addressing the country specific recommendation to reduce the most burdensome parafiscal charges (country-specific recommendation 4, 2019), take all necessary measures to effectively address the pandemic (country-specific recommendation 1, 2020) and front-load mature public investment projects and promote private investment to foster the economic recovery (country-specific recommendation 3, 2020).

This component also contributes to the objectives set out in the other sub-components of this plan, in particular C1.5. Improving the use of natural resources and strengthening the food supply chain and C2.3. The digital transformation of society and public administration.

F.1. Description of the reforms and investments for non-repayable financial support

Reform C1.6 R1 – Enhancing the resilience and sustainability of the tourism sector

The reform aims to establish an effective organisational and legal framework for managing the development of sustainable tourism through drawing up the Tourism Act, the 2030 Strategy for the Sustainable Development of Tourism, the National Plan for the Sustainable Development of Tourism by 2027 and the Strategic Environmental Assessment.

The reform shall include:

- Further administrative and parafiscal relief for the tourism sector;
- Further change of the legislative framework that will allow better management of tourism development while encouraging business investment in innovation;

- Developing a new model of tourism that offers more diversified tourism products, contributes to the green and digital transition of tourism entrepreneurs and ensures adherence to circular economy principles;
- Reducing operational procedures that shall contribute to easier, faster and cheaper start-up of tourism business.

The operationalization of the reform of the tourism management system is also envisaged through investment C.2.3 R3-I15 - Setting up tourism application solutions with the aim of administratively relieving entrepreneurs and transforming the tourism model towards sustainability. The reform will be implemented in accordance with the public consultation principle, involving a wide range of stakeholders in the overall tourism eco-system, including entrepreneurs, industry associations and academics.

The reform shall be completed by 31 December 2023.

Investment C1.6 R1-I1 – Regional diversification and specialization of Croatian tourism through investments in the development of high added value tourism products

This investment aims to offer financial support in the form of grants to develop, adapt and upgrade public tourism infrastructure throughout Croatia.

The measure consists of investments that further develop tourism infrastructure, increase energy efficiency and promote turism products in less developed tourist destinations.

The investment shall be completed by 30 June 2026.

Investment C1.6 R1-I2 – Strengthening the competitiveness of entrepreneurs and fostering the green and digital transition of the tourism sector

The investment aims to offer financial suppot for green and digital transition of the tourism sector.

The objective of this investment is to implement green projects, such as increasing energy efficiency, using renewable sources and the circular economy, uptake of innovation and digital technologies and developing environmentally friendly tourism products and resource efficiency.

The investment will be completed by 30 June 2026.

Investment C1.6 R1-I3 – Strengthening system capacity for resilient and sustainable tourism

The objective of the investment is to strengthen the resilience of human capital throughout the tourism sector, through education programmes specifically designed for labour market needs.

The investment main activities shall include designing educational programmes that respond to the needs of the labour market and training people under those education programmes

The investment shall be completed by 31 December 2025.

F.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
140	C1.6. R1	M	Scenario analysis as part of the Sustainable Tourism Development Strategy for 2030	Develop the Scenario analysis				Q4	2021	The scenario analysis produced as part of the strategy development process shall be the basis for mobilising the investments referred under this sub-component. Scenario analysis shall develop the projection of the development direction at national and territorial level in consultation with key stakeholders in the sector.
141	C1.6. R1	M	Adoption of the Strategy for the Development of Sustainable Tourism by 2030 of the Government of the Republic of Croatia	Provision on the entry into force of the Strategy for the Development of Sustainable Tourism by 2030				Q3	2022	As part of this reform, the process of transforming the tourism development model towards sustainability will be implemented through the development of the 2030 Sustainable Tourism Development Strategy, from the point of view of socio-economic sustainability, environmental and territorial sustainability. The strategy, as a long-term act of strategic planning of national significance, will also pay particular attention to the issues of land use so far, i.e. overtourism in individual destinations, as one of the key problems of tourism development. The Strategy will also provide a response to how to better promote the reduction of uneven regional development in Croatia.
142	C1.6. R1	M	Drawing up the Metodological Framework of the Sustainable Tourism Satellite Account of the Republic of Croatia	Provision on the entry into force of the Metodological Framework of the Sustainable Tourism Satellite Account				Q3	2023	The system of Tourism-Sustainability Satellite Accounts shall create the conditions for managing and monitoring the development of tourism through defined tourism sustainability indicators at both national and regional level. The satellite account shall become a tool for public policy management. Data collection and compilation will be harmonized with the European Tourism Indicators System

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										(ETIS) and the concepts, definitions, classifications and accounting rules of the Environmental Economic Accounting System (SEEA). To improve the efficiency of regional tourism policy, a Regional Tourism-Sustainable Satellite Account will be set up, with the addition of specific indicators of tourism activity at the destination level adjusted to signal the possible occurrence of over-tourism. Data and analysis shall underpin both, public and private, the strategic direction of planning as well as becoming a relevant policy management tool.
143	C1.6. R1	M	Tourism Act establishing a framework for monitoring and development of the tourism sector	Entry into force of the Tourism Act				Q4	2023	The Tourism Act shall provide a framework for the monitoring and development of the tourism sector through the establishment of a data monitoring and analysis system, a system of incentives, monitoring and analysis of investments, the definition of the role of key stakeholders in the development of tourism and inter-service cooperation, and the definition of indicators and standards for ensuring the sustainability of tourism (in particular green and digital standards).
144	C1.6. R1-I1	M	Launching public calls for the green and digital transition of existing public tourism infrastructure and the development of public tourism infrastructure beyond	Publication of tender documentation for the green and digital transition of existing public tourism infrastructure and the development of public tourism infrastructure				Q3	2022	The tender documentation shall specify that investments shall focus on projects that can increase the green and digital quality of tourism infrastructure and reduce the environmental impact and consequently the concentration of guests in the season. In the main tourist and coastal areas, according to the Tourism Development Index, only investments in the green and digital transition of existing tourism infrastructure and up to EUR 29 623 731 of the total budget of the investment shall be eligible contributing to the sustainable management of destinations, reducing environmental impacts during the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			the main tourist and coastal areas	beyond the main tourist and coastal areas						tourist season. Eligibility criteria shall include compliance with the Do No Significant Harm Technical Guidance (2021/C58/01).
145	C1.6. R1-I1	M	Finalizing awarded projects for the construction and adaptation of public tourism infrastructure	Certificate of completion from supervising engineer.				Q2	2026	Finalizing 10 awarded projects of the investment for the construction and adaptation of public tourism infrastructure.
146	C1.6. R1-I2	M	Launch public calls to strengthen sustainability and boost the green and digital transition of tourism entrepreneurs, with at least 50% of total investments supporting the green transition	Publication of tender documentation to strengthen sustainability and foster the green and digital transition of tourism entrepreneurs				Q3	2022	The tender documentation shall specify that at least EUR 29 862 632 of the total investments will be awarded to investment focused on climate change mitigation or adaptation, the digitalisation of activities in line with the criteria of reducing greenhouse gas emissions or energy efficiency and waste reduction, as well as the transition to a circular economy. Project selection criteria shall contribute to the green transition, in line with the NRS, the Green Treaty for Europe, the sustainability indicators defined in the feasibility study for the creation of a sustainable tourism satellite account of the Republic of Croatia and the guidelines for drawing up the Sustainable Tourism Development Strategy for 2030. Consistently with the principles of DNSH Technical Guidance applicants shall demonstrate how they will mitigate the negative environmental impacts that can be associated with the project and how they will contribute to positive impacts during the implementation of the project. The tender document shall assign at least EUR 29 862 632 of the total investments to support the green transition, and shall

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										specify for those investment the selection/eligibility criteria reflecting the requirements of the applicable intervention areas [3-100] of Annex [VI/VII] and compliance with the DNSH Technical Guidance (2021/C58/01) and the compliance of supported projects with the relevant EU and national environmental acquis.
147	C1.6. R1-I2	M	Finalizing awarded projects of the investment to strengthen sustainability and foster the green and digital transition of tourism entrepreneurs	Certificate of completion from supervising engineer.				Q2	2026	Finalizing 37 awarded projects of the investment to strengthen sustainability and foster the green and digital transition of tourism entrepreneurs.
148	C1.6. R1-I3	T	Educational programmes to strengthen tourism knowledge and skills		Number	0	10	Q4	2024	Educational programmes developed to strengthen tourism knowledge and skills, including digital skills for government and public officials in the tourism system, unemployed and employers' education The education programmes developed will be based on analyses of labour market needs and will result in a basis for strengthening knowledge and skills in tourism, including digital skills for government officials in the tourism system and employed in the tourism community system, unemployed and education at employers. The criteria for selecting the programmes to be developed will be to contribute to the achievement of the objectives of the digital and green transition, namely the acquisition of the knowledge and skills needed to implement projects funded by the investments C1.6 I2 and I1 of this sub-component, such as knowledge related to

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										green construction, renewable energy, innovative products, entrepreneurial skills, sustainable destination management.
149	C1.6. R1-I3	T	Educated persons in tourism related education programmes		Number	0	1 000	Q4	2025	At least 1 000 persons participate in tourism-related training courses.

G. COMPONENT 2.1: STRENGTHENING CAPACITY TO DESIGN AND IMPLEMENT PUBLIC POLICIES AND PROJECTS

The component of the Croatian recovery and resilience plan aims to improve the quality of public policy making, increase the public administration capacity to design and implement public policies and overcome the fragmentation of the public administration by enhancing coordination among relevant ministries and improving the implementation of public policies and projects. The component shall include measures to:

- Facilitate, through the increased use of digital technologies, the design and implementation of public policies and projects at central and local level;

- Provide assistance to beneficiaries in the preparation of projects and technical documentation for projects in the field of the green and digital transitions, and

- Strengthen mechanisms for the coordination and management of public policies.

The component shall contribute to addressing country-specific recommendations on increasing the administration's capacity to design and implement public projects and policies (country-specific recommendation 3, 2019) and to reinforcing the capacity and efficiency of the public administration to design and implement public projects and policies at central and local level (country-specific recommendation 4, 2020).

G.1. Description of the reforms and investments for non-repayable financial support

Reform C2.1 R1 - Strengthening mechanisms for the integration and management of public policies with the professionalisation of strategic planning

The objective of this reform is to improve the way public policies are managed and implemented.

This measure consists of delivering legislation to improve coordination of public policies and thus professionalise strategic planning and impact assessment of regulations.

Reform C2.1 R2 - Strengthening the capacity to prepare and implement EU projects

With the objective to increase the absorption of the Union funds, this reform shall increase the capacity for the preparation and implementation of the Union funds. In addition, the Government Decision on the bodies in the Recovery and Resilience Plan implementation system shall define the competent authorities and responsibilities for carrying out the tasks in the implementation, establish a central coordinating body under the Ministry of Finance for the implementation and monitoring of the National Recovery and Resilience Plan (NRRP), and mandate the Implementation Committee with ensuring consistency and coherence in the use of the Union funds. A workload analysis for strengthening administrative capacity across all operational programmes shall be prepared. The statute of the Agency for the Audit of European Union Programmes Implementation System (ARPA) shall be adapted to bring it in line with Regulation (EU) 2021/241 and provide the legal mandate for carrying out audits in the scope of the NRRP. The IT system used for European structural and

investment funds shall be upgraded to allow for the collection, storage and monitoring of data on the milestones and targets, including at the level of final recipients.

This reform shall be completed by 31 January 2022, and before the first payment request is submitted to the Commission.

Investment C2.1 R1-I1 - Optimisation, standardisation and digitalisation of processes for strategic planning and impact assessment of public policies

The objective of this investment is to support the digitalisation of strategic planning, implementation and evaluation of public policies.

This measure consists of the development of an IT platform, the Strategic Planning Information System to allow monitoring of the preparation of strategic documents.

Investment C2.1 R2-I1 - Provide assistance to beneficiaries in the preparation of project-technical documentation

The objective of this measure is to increase the success rate and absorption of EU funds.

This measure consists of calls to provide assistance to potential beneficiaries of various EU funds to speed up and optimise the preparation of project-technical documentation.

G.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
150	C2.1. R1	M	Amendments to the Act on the System of Strategic Planning and Management of Development of the Republic of Croatia and bylaws	Entry into force of the act amending the Act on the System of Strategic Planning and Governance for the Development of the Republic of Croatia and the accompanying by-laws				Q4	2022	Amendments to the Act on Strategic Planning and Development Management System of the Republic of Croatia and accompanying bylaws shall improve the effectiveness of strategic planning and the professionalisation of the preparation of strategic documents. It shall also include a basis for job descriptions and competences of civil servants related to strategic planning;
151	C2.1. R1	M	Amendments to the Act on Regulatory Impact Assessment	Entry into force of the act amending the Act on Regulatory Impact Assessment				Q4	2023	Amendments to the Regulatory Impact Assessment Act shall simplify ex-post regulatory impact assessment processes, including methodology and procedures, based on the Technical Support Instrument recommendations of the project related to the ex-post regulatory impact assessment. The amendments shall also include changes to the job descriptions and competences of civil servants related to the impact assessment with a view to the professionalisation of the coordination, drafting and monitoring of the effects of regulation in the public administration.
152	C2.1. R1	T	Reduction of the administrative burden directly affecting citizens, through digitalisation and simplification of procedures		% (Percentage)	0	20	Q4	2025	At least 20% reduction in the administrative burden compared to 31 December 2019, for citizens by using the Standard Cost Model (SCM) methodology, through digitalisation and/or simplification of procedures.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
153	C2.1. R1-I1	T	Digitisation of all business processes mapping in the area of strategic planning and regulatory impact assessment		% (Percentage)	0	100	Q4	2025	All mapped business processes in the area of strategic planning and regulatory impact assessment shall be digitised and used through the IT platform (IT system for the digitalisation of the strategic planning process and regulatory impact assessment). The IT system shall allow to monitor the preparation of strategic documents, the implementation and evaluation of public policies and the impact assessment of regulations. The IT system shall also include a dashboard providing an overview of the results of the implementation of public policies.
156	C2.1. R2	M	Amendment of ARPA's statutes to redefine its mandate	Entry info to force of amendments to ARPA's statutes				Q3	2021	Amendments to statutes of the Agency for the Audit of European Union Programmes Implementation System (ARPA) shall define the mandate of ARPA to set up and carry out system audits and controls related to the National Recovery and Resilience Planf
157	C2.1. R2	M	Establishment of the implementation and audit and control system for the RRP	Entry into force of the decision by the Croatian Government on the bodies in the system of implementation of the NRRP, establishment of the coordinating body under the Ministry of finance and update of procedures used by implementing bodies.				Q4	2021	The decision on the bodies in the RRP system shall define the competent authorities and responsibilities for carrying out the tasks in the implementation of the RRP, including a central coordinating body under the Ministry of Finance to ensure the implementation and monitoring of the RRF measures, including reforms, while the Implementation Committee will ensure consistency and coherence in the use of EU funds. The Coordinating body for the RRP shall be established and fully functional, within the Ministry of finance. All procedures used by implementing bodies for the RRP shall be updated and in place.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
158	C2.1. R2	M	Adoption of the Act on the institutional framework for EU funds	Entry into force of the Act on the institutional framework for EU funds				Q4	2021	In addition to the establishment of the institutional framework and the designation bodies in the Act, the law shall also provide a framework for the establishment of the capacity-building activities, which are expected to be further developed through Roadmap for administrative capacity building. This Roadmap is being developed under the ESI Funds programming. The law shall recognise the need to further strengthen the capacity of beneficiaries to prepare, apply and implement projects, which are implemented through EU-funded (operational) programmes.
159	C2.1. R2	M	Assessment of the administrative capacity	A workload analysis is published				Q4	2021	Workload analyses shall be carried out for the institutions involved in the respective management and control systems, also taking into account the burden arising from the Recovery and Resilience Facility. The analysis shall provide adequate information in terms of administrative capacity needs with a view to reaching them in a timely manner, including by developing a set of recommendations to address insufficient capacity where necessary. Based on the analysis and recommendations, necessary resources shall be allocated to the institutions involved.
160	C2.1. R2	M	Upgrading of the eFondovi IT system: Repository system for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities				Q1	2022	A repository system for monitoring the implementation of the RRF shall be in place and operational. The system shall include, as a minimum, the following functionalities: (a) collection of data and monitoring of the achievement of milestones and targets; (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.
161	C2.1. R2-I1	T	Preparation of project technical		Number (Amount)	0	6 370 695	Q4	2022	EUR 6 370 695 shall be awarded, through decisions on financing for the development of project technical

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			documentation for green and digital transition projects							documentation prepared by ministries, national agencies and local and regional authorities to support the green and digital transitions.
162	C2.1. R2-I1	T	Preparation of project technical documentation for green and digital transition projects		Number	0	100	Q4	2025	Grants are awarded to public entities for the development of project technical documentation for at least 100 projects to support the green and digital transitions.

G.3. Description of the reforms and investments for the loan

Investment C2.1 R1-I2 - Strengthening capacity in strategic planning and better regulation

The objective of this investment is to contribute to ensuring the sustainability of the strategic planning system and improve the quality of the preparation and implementation of public policies in Croatia.

This investment shall develop educational modules and organisation of trainings, to improve performance of strategic planning tasks in the government bodies.

This investment shall be completed by 31 December 2025.

G.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
154	C2.1. R1-I2	T	Training modules for strategic planning and regulatory impact assessment at national, regional and local level		Number	0	10	Q4	2024	10 educational/training modules for strategic planning, and better regulation shall be developed to ensure professionalisation of work, including eLearning companions with technical support of the NSPA (National School of Public Administration). The modules shall be developed by the end of 2024.
155	C2.1. R1-I2	T	Training days carried out for officers linked to the system of strategic planning and implementation of regulatory impacts at national and regional level		Number	0	15	Q4	2025	At least 15 training days carried out to deliver trainings based on educational modulesin the system of strategic planning and implementation of regulatory effects at national, regional level and local level.

H. COMPONENT 2.2: FURTHER IMPROVING THE EFFICIENCY OF PUBLIC ADMINISTRATION

The component aims to modernise Croatia's public administration and make it more user-centric, through incentivising the actual and functional mergers of local government units, increasing digitalisation, interoperability, efficiency gains in resource allocation at local level, and reforming the remuneration system and human resources management.

The overarching goals are to improve the ability to attract and retain high-quality and talented public administration employees, and improve the quality of public services in local and regional government units, which are hampered by weak administrative and fiscal capacity and lack of transparency.

The component shall include major reforms with related investments:

- Improving the recruitment process in the civil service by strengthening the civil service admission system and further improving the competences of civil servants,

- Introducing new wage and work models in the civil service, including reforming the public sector wage system, upgrading the human resource management system, and fostering vertical and horizontal mobility,

- The digital transformation of conservation bases and archive records,

- Ensuring functional and sustainable local government through further optimisation and decentralisation of local government units through incentivised support for functional and actual mergers.

The component shall contribute to addressing country-specific recommendations on the need to strengthen the efficiency of public administration (country-specific recommendation 1, 2019) and on improving the delivery and quality of services in the smaller local government units (country-specific recommendation 4, 2020).

The component includes four reforms and seven investments.

H.1. Description of the reforms and investments for non-repayable financial support

Reform C2.2 R1 – Improving recruitment in the civil service

This reform aims to improve the recruitment system in civil service to ensure hiring of highly competent officials who shall contribute to improving the efficiency of the public administration and enable a refocusing of the public administration towards the needs of the citizens. The reform shall include amendments to the legislative framework. Alongside the reform, the authorities intend to develop information technology tools, methodologies and the necessary content for competence verification, and capacity building measures.

A centralised selection system for civil servants shall be introduced, based on pre-established plans, a workload analysis, and the actual needs of public authorities in order to recruit a specific profile of officials. In the recruitment process, candidates shall be tested online, ensuring a transparent and more objective selection of candidates.

The measure shall be completed by 30 June 2023.

Investment C2.2 R1-I1 – Centralised selection system

This investment aims to establish a more objective and transparent recruitment system based on actual identified needs and financial resources. It shall ensure recruitment of the best and most competent candidates, thereby contributing to improving the efficiency of the public administration.

The investment shall include the following activities:

- Development of a comparative analysis of the design of centralised employment systems in the EU Member States and drafting of the a proposal for a new employment model;
- Amendments to the legislative framework, including the Civil Service Act, to the procedures for the recruitment of civil servants in state administration bodies, professional services and government offices;
- Development of standardised tests and training;
- Development of the IT platform;
- Testing and implementation of the IT platform.

The measure shall be completed by 31 December 2024.

Investment C2.2 R1-I2 – E-State exam

This investment aims to establish a new system for passing a state exam by electronic means, ensuring a more objective, appropriate and valid way of assessing candidates' knowledge through a standardised written examination.

The investment shall include the development of a software application through which the procedures for developing the test material for the state examination, application for the examination, organisation, conduct and passing of the State exam shall be delivered. The examination certificate shall be made available electronically. The system shall create a database of test tasks and materials, a database of candidates and shall ensure the creation of reports related to the conduct and results of the tests. Such system shall allow for continuous monitoring and improvement of all processes for the development and conduct of state exams. Test rooms in 4 test centres in Zagreb, Split, Rijeka and Osijek shall be equipped and made available for the needs to the e-exam as well as the centralised selection system (Investment C2.2.R1-I1).

The measure shall be completed by 31 December 2022.

Reform C2.2 R2 – New wage and work models in civil and public service

This reform aims to introduce a fair, transparent, consistent, and financially sustainable wage system in state administration and public service along with a standardised, digitised and user-oriented human resource management system. To address the new reality of working, a smart working model shall be introduced, providing the officials with the necessary tools and skills to perform their tasks remotely.

Based on an analysis of the situation and comparison of salaries in government administration and public service, a new payment system shall be created and a new legislation Act on civil service wages and a new Act on wages in public services shall be adopted. The new Acts shall include provisions to evaluate jobs according to established criteria, and to ensure the harmonisation of salaries in the state administration and public services. The new salary model shall put in place a reward system based on performance (work performance). Regulations related to the evaluation and advancement of civil

servants shall be amended. The assessment of performance and effectiveness shall provide the basis for career progression and promotion.

The measure shall be completed by 30 June 2023.

Investment C2.2 R2-I1 – Improving the remuneration system in the state administration and public services

This investment shall put in place the new remuneration system in the state administration and public services, supporting the reform in the same area. It shall ensure a fairer system from the perspective of civil servants, become more competitive and fiscally sustainable, in terms of maintaining the total wage weight in the state budget and its more rational distribution.

A single government coordination body in charge of the inter-institutional coordination of all activities shall be established, accompanied by expert teams including representatives of the social partners. The current pay system and legal framework shall be analysed and a comparative analysis with peer member states shall be developed. Based on the analyses the new proposal for a new pay system and legal framework shall be elaborated, nine new functionalities shall be included in the human resource management IT system and a communication strategy shall be prepared and implemented.

The measure shall be completed by 30 June 2024.

Investment C2.2 R2-I2 – Introduction of Hybrid Workplace Access Model – Smartworking

This investment aims to introduce a model to enable civil servants to work remotely in order to provide a continuous, high-quality public service accessible to all and to increase the motivation of officials. It shall establish an innovative workflow based on an element of flexibility in working time and place of work according to the needs of the processes and plans of the public administration. The legislative arrangements concerning the civil service and labour relations for the introduction of a hybrid model of work in the public administration and the judiciary (the Labour Code, the Civil Service Act, the Labour Protection Act and the by-laws) shall be amended to allow employees to work smoothly and continuously.

To achieve the above objectives, the measure foresees the following activities:

- Engagement of external experts for the identification of the current state of play of teleworking conditions and the preparation and implementation of management training.

- Development of a proposal for a model and a plan for hybrid access to the workplace with a full normative solution for its implementation by external experts.

- Amendments of the legislative framework and working methodologies.

- Acquisition of information technology (laptops, tablets and smartphones and the software needed), acquired through transparent public procurement processes.

- Staff trainings.

The measure shall be completed by 30 September 2023.

Reform C2.2 R3 – Digital transformation of conservation bases and archive records

This reform aims to enhance documentation management by public authorities to improve business processes. The measure is expected to enable a more efficient delivery of public administration

services by using implemented ICT solutions that shall ensure interoperability and data sharing, cost reduction, business transparency and the protection of citizens' rights.

Additionally, the authorities intend to develop a digital public service shall be developed and put in place to provide access to digital conservation bases built for cultural and historical sites. Furthermore, developing of the necessary standards and criteria shall improve the overall efficiency of public administration in this context. Development of the national archives information system, strengthening of infrastructure and human capacities in state archives and the strengthening of the capacity to digitise analogue paper records by document creators and owners are envisaged to improve digital public services by faster access to documentation and better enforcement of the rights of users and all interested citizens.

The measure shall be completed by 30 June 2024.

Investment C2.2 R3-I1 – Deployment of digital infrastructure and public administration services by developing a conservation basis system

This investment consists in the establishment of a new digital public service linked to the existing digital public services with the aim of reducing administrative obstacles and enabling officials to process cases more quickly and efficiently.

This measure consists of the development of digital conservation bases.

Investment C2.2 R3-I2 – Improving digital public sector infrastructure and services by developing the National Archive Information System and strengthening the national archives network

This investment consists in the improvement of the management and archiving of documents created by public authorities and the judicial system by providing access to all public authorities concerned.

The investment consists of the development of a national archive information system and the setting up of a new e-Archive service, within the state information infrastructure.

Reform C2.2 R4 – Functional and sustainable local government

This reform aims to establish a high quality and efficient system of local and regional government through incentivising both the functional and actual integration of local government units. The reform is expected to contribute to the improved, efficient and transparent provision of public services to citizens, providing them with equal opportunities to meet their needs and interests, regardless of their place of residence.

The relevant legislation, the Act on Execution of 2022 State Budget of the Republic of Croatia, shall be amended and a financial support mechanism shall be put in place to incentivise both functional and actual mergers. Sufficient resources shall be ensured in the state budget to financially encourage the actual merger of at least 20% of the local government units, and a functional merger of at least 40% of the local government units. In the design phase of the mechanism, a number of possible financing models for joint performance shall be identified, taking into account the scope of services the local and regional government units must render as defined by law and the reported needs of the units to carry out the joint tasks. The successful completion of the process of actual or functional mergers shall be a prerequisite for the allocation of additional resources or co-financing from the national budget. The Croatian Government's decision shall lay down the criteria and the level of incentives, with greater fiscal incentives for actual mergers, while the incentives for functional mergers depend on the number and type of functions envisaged for the merger.

Amendments to the regulations relating to the financial support mechanism for local and regional authorities, allowing for mergers financial incentives to be disbursed.

The reform shall be completed by 31 March 2022.

Investment C2.2 R4-I1 – Further optimisation and decentralisation of local and regional government units through support for functional and actual mergers

The objective of this measure is to provide support to the local government units when making decisions to undergo functional or actual mergers to improve the quality of local government services.

This investment consists of upgrading the IT system to support the accompanying reform (C2.2 R4) and establish a high quality system for fostering functional and actual mergers of local government units.

H.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
163	C2.2. R1	M	Amended legislative framework for a centralised system of selection in the state administration, identifying the necessary qualifications of civil servants and establishing a modern recruitment system	Entry into force of an amended legislative framework for a centralised system for the selection of civil servants,				Q2	2023	The revised legislation shall include at least the following measures: - Defining job profiles specific to the national administration in order to attract the necessary competences and skills; - Creating a single employment platform to centralise recruitment procedures within a single platform for all national administrations; - Adjust the recruitment process for: i) the transition from a knowledge-only system to a system based primarily on competences and appropriate skills; ii) the assessment of competencies for the performance of civil servants; iii) distinguishing between recruitments at initial level, which should be based exclusively on competences, and recruitment of specialised profiles, which should combine competences with relevant work experience and lead to access to careers at a higher level; - Strengthen commitment to gender balance and ensure gender equity in recruitment, as well as promotion of women to senior management positions.
164	C2.2. R1-I1	T	100% of all newly recruited, permanent civil servants in government		% (Percentage)	0	100	Q4	2024	A centralised selection system for civil servants shall be introduced and implemented on the basis of pre-established reception plans based on workload analyses and the actual needs of public authorities to recruit a certain profile of officials. The system shall provide that,

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			bodies are employed exclusively through a new centralised, digitised and standardised selection and recruitment system, available through a newly developed IT platform.							in the recruitment process, candidates are tested online to ensure a more transparent and objective selection of candidates.
165	C2.2. R1-I2	T	100% of officials of all public institutions required to pass the state exam, digitally pass the state exam, based on a new exam model.		% (Percentage)	0	100	Q4	2022	100% of officials of all public institutions, required to pass the state exam, pass the exam through a fully digitised model. The process of passing the State exam is digitised with a view to making the exam system more transparent, accessible (in multiple locations across the country) and efficient.
166	C2.2. R2	M	Entry into force of Acts on salaries in the state administration and	Entry into force of the Acts on salaries in the state administration and public services and of the				Q2	2023	New legislation on salaries in the state administration and public services shall allow for a fair and transparent assessment of posts in accordance with established criteria, ensuring the harmonisation of grades and

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			public services and of regulations for mobility	regulations for vertical and horizontal mobility of civil servants in public administration						bonuses in the civil service and in the civil service, setting of coefficients at occupational level in consultation with the social partners, and the establishment of a reward system based on performance (work performance). A new payment system shall be created and the new Acts on civil service salaries and public services salaries shall include provisions to evaluate posts fairly and transparently in line with established criteria and ensure harmonisation of salaries in the civil service and public services, and establish a reward system based on work performance. The legislative framework (Civil Service Act and bylaws) for vertical and horizontal mobility shall be amended. This includes a career plan that includes possible access to middle and senior management posts and strengthening the link between career progression and performance assessment. Additionally, setting the preconditions for an efficient labour market in the public administration including (a) the creation of a transparent and uniform advertising system for all vacancies in the public administration (b) the possibility to apply for any available job anywhere in the public administration.
167	C2.2. R2-I1	T	The human resources management system, Registry of Public Officials		Number	0	9	Q2	2024	Nine new functionalities shall be developed and implemented in the REGZAP-COP (these being: drafting of acts on staff rights and obligations, evaluation, work records, career planning and development, internal labour market and personalised approach to the system by

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			and Centralised Salary System (RegZap – Cop), is complemented with nine new functionalities, digitising all related processes that shall simplify and speedup the amendment of the salary system							officials, missions) to support the implementation of the proposed changes to the salary system.
168	C2.2. R2-I2	T	At least 20% of civil servants work in the smartworking model		% (Percentage)	0	20	Q3	2023	20% of civil servants already work in the smartworking model, enabling them to work remotely in order to provide a continuous, high-quality public service accessible to all and to increase the motivation of officials.
169	C2.2. R2-I2	T	At least 60% of civil servants trained in smartworking working method		% (Percentage)	0	60	Q3	2023	60% of civil servants are trained in the smartworking model and have the necessary skills to work remotely in order to provide a continuous, high-quality public service accessible to all and to increase the motivation of officials.
170	C2.2. R3	M	Establishment of an e-conservation service	E-conservation base digital public service fully functional and accessible				Q4	2023	By establishing digital infrastructure and public administration services, the development of a system of conservation bases enhances documentation management

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										by public authorities and other document creators as essential supporting functions for all business processes. The e-conservation system shall enable a more efficient delivery of public administration services using implemented ICT solutions that ensure interoperability and data sharing, cost reduction, business transparency and the protection of citizens' rights. The digital public service (e-conservation base) linked to existing digital public services shall be established, removing administrative obstacles in the licensing process under the Law on the Protection and Conservation of Cultural Property.
171	C2.2. R3	M	Establishment of a national archive information system	National Archives Information System fully functional and accessible				Q2	2024	A national archive information system shall be established to improve documentation management by public authorities and other creators of documents, as an essential supporting function for all business processes.
172	C2.2. R3-I1	T	Creation of a set of 60 publicly available conservation bases for the most complex cultural and historical sites of high monument value		Number	0	60	Q2	2026	An IT platform with at least 60 e-conservation bases has been created and made public. An e-conservation base shall be developed for cultural historical sites of high monument value that meet the criteria of endangerment and urgency for completion in view of the planned construction operations.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
173	C2.2. R3-I2	T	600 document creators use the archive information system		Number	0	600	Q2	2026	At least 600 creators using the national information system to manage and store documentation. . Setting up the national archive information system shall include the following activities: • Strengthening storage capacity in 8 regional government archives to transfer permanent paper records, • WArranging and selecting paper records at the judicial authorities, • Disposal of records by judicial authorities which have passed retention periods and are no longer used for regular business processes, • The digitisation of selected paper records remaining in the judicial authorities in accordance with the professional guidelines for the digitisation of archives and the legislation in force.
174	C2.2. R4	M	Amendment of the legislative frameworks to encourage the voluntary functional or actual merger of the local	Entry into force of the legislative framework				Q1	2022	Amended legislative framework and the financial support mechanism shall encourage a functional and effective merger of the local government units (LGUs), while ensuring sufficient resources in the state budget to financially encourage the actual merger of at least 20% of the LGUs, i.e. a minimum of 40% of the LGUs over the period up to 2026. In doing so, the functionally merged LGUs shall retain the same budget resources available to

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			government units (LGUs) and adoption of a Decision of the Croatian Government on the criteria for granting fiscal incentives for voluntary functional or actual mergers							them prior to the merger, for a minimum period of two years, the incentives shall also cover one-off blending costs and shall provide additional resources based on the savings achieved over the next five years. In addition, incentives for real LGU mergers shall include one-off capital transfers over five years to be used by LGU dedicated to infrastructure projects. The Croatian Government's decision shall lay down the criteria and the level of incentives, with greater fiscal incentives for actual mergers, while the incentives for functional mergers depend on the number and type of functions envisaged for the merger. Following the adoption of the Decision of the Government of the Republic of Croatia, a public invitation to the LGUs for expression of interest in the voluntary functional or actual merger shall be published in the official journal.
175	C2.2. R4-I1	M	Support mechanism for voluntary functional and real connections and the establishment of a complete support system for functional and effective coupling of units	A comprehensive support mechanism is in place for functional/actual mergers of local government units				Q2	2025	An IT system developed under the European social fund project "Optimisation of the Local and Regional Self-Government System" shall be upgraded to support and encourage local goverment units to either execute tasks jointly (functional merger) or to actually merge with other local self-governing units, . Support for the further process of functional job optimisation within the remit of local units shall include: - (self-)assessment questionnaire drawn and completed by local government units to asses the capacity of units to carry out the tasks within their scope and demonstrate the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										need for and interest in the joint performance of the tasks, i.e. the actual merger, in all local government units; - Guidelines which shall be prepared on the basis of aforementioned data. - Identification of operations suitable for joint performance between individual units to improve efficiency, identification of potential partners for finctional and actual mergers, proposed models for mergers. - Implementation of an IT support system for functionally linking the tasks of local government units - Education of 50 officials of the state administration to support local government units in terms of functional connections and actual mergers are completed. - Education of 100 local government unit officials to carry out joint tasks as part of a functional link completed.

H.3. Description of the reforms and investments for the loan

Reform C2.2 R5 – New wage and work models in civil and public service – increase in the ambition of the reform by stipulating additional specific requirements on the content of bylaws

This reform aims to increase the ambition of the implementation of the Reform R2 New wage and work models in civil and public service, by adding specific requirements on the content of bylaws accompanying the Act on salaries in the civil and public services adopted under R2.

Government decrees supporting the Act on salaries in the civil and public services shall define in detail the ranges of coefficients and salary bands within the uniform pay scale for state bodies and public services.

Additionally a Government Regulation shall lay down the titles of posts, the conditions for the assignment at a specific post, the classification of posts, the salary grade concerned and the salary calculation coefficients within that grade.

The salary calculation coefficients shall be determined on the basis of a job evaluation exercise, taking into the standard job evaluation and classification criteria as defined in the Act on salaries in the civil and public services (such as job complexity, required professional experience, autonomy of work, and required additional competences and licences). The manner in which standard criteria are to be applied in the process of job evaluation and classification will be determined by Government Regulations.

The benchmarking of jobs aims to ensure the implementation of the principle of equal pay for equal work or work of equal value by applying uniform standard benchmarks and eliminate the practice so far that jobs with the same or similar jobs, but in different state bodies or public services, are paid differently.

Finally, the bylaws aim to ensure that the same grade are classified as posts of the same or close to the same value in terms of job complexity, responsibilities, autonomy of work and other standard criteria.

The measure shall be completed by 30 June 2024.

H.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
393	C2.2.R5	M	Entry into force of bylaws regulating the new wage models and centralised system of selection in civil and public services	Entry into force of the Government regulations setting out the criteria for regulating new wage models in civil and public services				Q2	2024	Entry into force of six by-laws detailing the remuneration system of pay grades and coefficients for employees in the civil and public services as well as the procedure, criteria and method for assessing the performance of civil servants and employees in State bodies and public services. The bylaws shall, where relevant, take into account the analysis carried out by the World bank under investment C2.2.R2-I1. The by-laws shall define: -the method of applying the standard criteria, laid down by the Act On Salaries In The Civil And Public Services, in the procedure for the evaluation and classification of posts in state bodies and public services (expert teams of state administration and public services will evaluate posts and, in cooperation with the Ministry of Justice and Administration or the Ministry of Labour, Pension System, Family and Social Policy, carry out an analysis to be taken into account when determining the payroll coefficients); -the titles of the posts, the conditions for selection to the posts, the classification of posts and the salary grades concerned, as well as the salary coefficients in civil service (following the consolidation or reduction in the number of posts); -the ranges of coefficients within salary grades of the uniform pay scale for civil and public services; -the procedure, criteria and method of evaluating the performance of officials (including those on

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										managerial positions) and employees in the civil service.

I. COMPONENT 2.3: DIGITAL TRANSITION OF SOCIETY AND PUBLIC ADMINISTRATION

Croatia ranks 20th in 2020 in the Digital Economy and Society Index (DESI), with significant room for improvement in the online accessibility of public services. Croatia's low digital connectivity also hinders the further development of the country's digital economy and contributes to the digital divide between urban and rural areas.

The objective of this component is to support the digital transition of Croatia's economy and society. It includes reforms and investments to digitize the public administration, increase the provision of online public services and provide access to gigabit connectivity networks in areas affected by market failure including rural areas.

This component contributes to addressing the country-specific recommendations on the need to "*Consolidate social benefits and improve their capacity to reduce poverty*" (country-specific recommendation 2, 2019), "*Increase access to digital infrastructure and services"* (country-specific recommendation 2, 2020), and to *"Focus investment on the green and digital transition, in particular on highspeed broadband"* (country-specific recommendation 3, 2020).

The component includes four reforms and twenty investments.

I.1. Description of the reforms and investments for non-repayable financial support

Reform C2.3 R1 - Digital Croatia Strategy and strengthening inter-institutional cooperation and coordination for a successful digital transition of society and the economy

The objective of this reform is to steer the digital transformation of Croatia's society and economy for the next decade. It shall provide a strategic framework, "Croatia's 2030 Digital Strategy", setting the frame for investments in the digital transition and defining strategic objectives in the following areas: (i) digital transition of the economy, (ii) digitisation of public administration and justice, (iii) digital connectivity/development of broadband electronic communications networks and (iv) development of digital skills and digital jobs.

The reform shall also set up a mechanism to coordinate the preparation and implementation of projects supporting the digital transformation of society and the economy at national, regional and local level, with guidelines for clear prioritisation and evaluation criteria for investments.

Reform C2.3 R2 - Improving the interoperability of information systems

The objective of this reform is to support the provision of digital public services and to facilitate the interaction between citizens/businesses and the public administration. The reform also aims to introduce advanced data analytics in the national administration, with the view to support data-driven decision-making at all levels of the administration.

While public authorities in Croatia currently use hundreds of different registers and databases, the reform is expected to create the preconditions for the establishment of a central register (central interoperable system) interconnecting core registers (Investment C2.3.R2.I1), as well as for the establishment of a central database enabling the use of advanced data analytics for competent authorities (Investment C2.3.R2.I2).

The reform is expected to bring systemic changes, towards the development of interoperable systems at national level and towards data-driven decision-making. It is also expected to improve the online provision of quality public services to businesses and citizens.

The measure shall define an organisational and management structure for the management of the Central Interoperability System as well as the catalogue of e-services to be connected to the Central Interoperability System. It shall also develop the ecosystem to collect, process, analyse, display and share data, with the view to introducing data analytics in the national administration as a new way of working at all levels of decision-making.

This reform shall be completed by 31 December 2024.

Investment C2.3 R2-I1 - Establishment of a central interoperability system

The objective of this investment is to remedy the current fragmentation of registers, in line with the European Interoperability Framework (EIF).

The measure consists in establishing the central interoperability system.

Investment C2.3 R2-I2 - Establishment of a central data repository and business analytics system

The objective of this investment is to build a central data warehouse (DWH) for government authorities, which is expected to improve the data management system, by facilitating the collection of data in standardised formats, the processing, analysing and sharing of data across public authorities (such as State and local government units). The platform shall enable real-time data analysis and shall produce advanced data analytics tools (such as pre-defined business indicators, dashboards and reports on a daily basis), which are expected to significantly improve data-driven decision-making at all levels of the national administration.

A part of the data warehouse shall also be accessible to citizens and businesses, with the view to enable the private sector to build and develop value-added services on the data and analytical tools made available to them.

This investment shall be completed by 31 December 2024.

Investment C2.3 R3-I1 - Upgrading the Shared Services Centre

The objective of this investment is to expand the capacity of the State cloud (Shared Services Centre, 'CDU').

The measure consists in upgrading the State cloud and increasing the number of its users.

Investment C2.3 R3-I2 - Strengthening the capacity of the police to tackle cybercrime

The objective of the investment is to strengthen the capacity of the Ministry of the Interior to fight cybercrime.

The investment includes the purchase of specialised equipment for the police for the analysis of digital evidence, specialised training for police officers for detecting and combating cyber-attacks and the implementation of public prevention campaign targeting businesses and citizens to raise awareness against cybercrime.

This investment shall be completed by 31 December 2024.

Investment C2.3 R3-I3 - Establishing a one-stop shop for all e-public helpdesk services

The objective of the investment is to create a one-stop-shop (JKC) which harmonises and centralises the helpdesk system of all public administrations' online services. The one-stop-shop is expected to provide a new, improved service for citizens and businesses to communicate with public administrations and shall enable users to easily find the information requested. The one-stop-shop shall also have features to enable users to send feedback, assess the quality of interaction with civil

servants and post evaluation, which is expected to transform the interaction between Croatia's public administration and its users.

This investment shall be completed by 31 December 2023.

Investment C2.3 R3-I4 - Consolidation of CEZIH health information infrastructure systems

The objective of the investment is to upgrade the Central Information Health System of the Republic of Croatia (CEZIH), which is used by all actors in the health system (such as hospitals, medical staff, medical schools, public health institutions, pharmacies, laboratories).

The investment shall in particular migrate the system into the State cloud (Shared Services Centre) and shall establish disaster recovery solutions, in order to ensure business continuity and provide a continuous, reliable and secure mode of operation of the Central Health Information System.

This investment shall be completed by 30 June 2024.

Investment C2.3 R3-I5 - Digital Identity Card Deployment Project

The objective of the investment is to promote the use of electronic signatures in citizens' interaction with the public administration. The measure is expected to enable users of e-IDs to sign documents on mobile platforms through the usage of Certilia mobile application.

It shall set up a Digital Identity Management System (IDP) and a mobile signing system to issue remote certificates for a remote qualified electronic signature. The issuance of such certificate is a pre-requisite for signing documents electronically on mobile platforms or in mobile signature applications.

This investment shall be completed by 31 December 2024.

Investment C2.3 R3-I6 - Investment in State information infrastructure network

The objective of this investment is to modernise and expand the capacity of the State information infrastructure network (DII network).

The measure consists in the upgrading of the DII network and the connection of new users to the DII network.

Investment C2.3 R3-I7 - Improvement of the system of spatial planning, construction and state assets through digitisation

The objective of this investment is to upgrade the Spatial Plans Information System (ISPU) into an integrated information system for spatial planning, and enable the digitisation of procedures related to the preparation and implementation of individual projects.

The measure consists in the creation of Next Generation spatial plans and upgrading of the ISPU.

Investment C2.3 R3-I8 - Creation of a digital mobile platform

The objective of this investment is to create a mobile digital public service platform to enable citizens to easily use online public services on their smartphones. The existing "eCitizens services" have been developed for personal computers and are currently not adapted to mobile devices, hence the need for a platform adapted to mobile applications.

This investment, using state-of-the-art technologies and standards, shall build a platform that provides a standardized way of offering public services on mobile platforms (such as the request for proof of birth certificate, request for proof of residence, registration of a change of address; registration of a motor vehicle). It shall connect all related registers and databases to the Central Data Interchange Bus (GSB). The investment shall also enable the National Identification Authentication System (NIAS)

to be upgraded to the latest authentication trends for mobile platforms, implementing modern biometric application methods.

This investment shall be completed by 31 December 2024.

Investment C2.3 R3-I9 - Establishing a new platform for the Electronic Public Procurement Bulletin of the Republic of Croatia

The objective of this investment is to establish a new IT platform for the e-procurement system, with the view to support the digitisation of the public procurement process and to implement the new standard forms for the publication of notices in the field of public procurement laid down in the Commission Implementing Regulation (EU) 2019/1780 (e-forms).

The investment shall modernise the IT platform of the Croatian Electronic Public Procurement Advertisement (EOJN), which is currently based on an outdated technology and does not properly support the efficient conduct of public procurement procedures. In particular, the measure shall enable to link all procurement processes (from procurement plan, through the conduct of the procedure to data on payments based on concluded contracts) and shall introduce online appeals (e-appeals) as mandatory and the possibility for the online payment of fees. The investment shall also establish a framework for tracking compliance with certain minimum mandatory criteria and objectives (such as strategic, green or innovative public procurement).

This investment shall be completed by 31 December 2023.

Investment C2.3 R3-I10 - Digitalisation of the CES (eHZZ)

The objective of this investment is to digitise the Croatia Employment Service (CES – HZZ).

The measure consists in putting in operations CES's digital identity management system and digital human resources management system, and upgrading the digitalisation of CES.

Investment C2.3 R3-I11 - ICT support modernisation of HZMO (eHZMO)

The objective of this investment is to modernise the IT system of the Croatian Pension Insurance Institute (HZMO) and digitise its core business processes.

The measure consists in the upgrading of the IT system of HZMO.

Investment C2.3 R3-I12 – Digitalisation of the HZMO archives (eArhiva)

The objective of this investment is to digitise the Croatian Pension Insurance Institute (HZMO)'s archives and improve the overall performance of HZMO's work and the cost-effectiveness of archives.

The measure consists in making the digital archives (Digital Archives Management System) operational, and the scanning and digitally indexing of pages from the national archive.

Investment C2.3 R3-I13 - Digital transformation of the Tax Administration

The objective of this investment is to modernise the Tax Administration Information System and increase the Tax Administration efficiency.

The measure consists in putting the upgraded Tax Administration Information System online and making it accessible.

Investment C2.3 R3-I14 - Implementation of the non-cash payment system in the economy through e-Invoices with integrated e-archives and active tax accounting

The objective of this investment is to establish an online tax accounting system with the aim of reducing administrative burden on taxpayers.

The investment shall set-up a new IT system for registering electronic invoices (e-invoices) issued by public authorities for non-cash payment in the Tax Administration Information System. The investment shall also establish a VAT advanced online accounting system,

The investment is expected to contribute to the simplification of tax returns by reducing the number of forms required and support tax compliance.

The investment shall be completed by 31 December 2024.

Investment C2.3 R3-I15 - Setting up tourism application solutions

The objective of this investment is to develop new IT tools to help manage tourism development effectively and support the sustainability of the sector.

The measure consists in putting four IT tools online and making them accessible.

Investment C2.3 R3-I16 - Digitalisation of processes in sport and recreation at local and regional level

The objective of this investment is to upgrade the Information System in Sport (ISS) and facilitate access to the system for all relevant stakeholders.

The measure consists in three new application modules being integrated in the upgraded ISS.

Reform C2.3 R4 - Strengthening connectivity as a cornerstone of the digital transition of society and the economy

The objective of this reform is to pave the way for ensuring the availability of electronic communications networks providing gigabit connectivity to households and socio-economic drivers, in line with the objectives of the European Gigabit Society.

This reform aims to ensure the timely and comprehensive implementation of the regulatory and strategic framework in the area of electronic communications, through the adoption of the Electronic Communications Act, consistently with the provisions of Directive (EU) 2018/1972 establishing the European Electronic Communications Code, and the implementation of the objectives of the National Broadband Plan in Croatia for the period 2021-2027.

The reform is expected to identify and address administrative burden and regulatory barriers related to the construction of gigabit connectivity networks, including 5G networks, in order to encourage investment in the roll-out of 5G networks.

This reform is complementary to the digital connectivity investments through broadband connections in fixed and in advanced wireless and mobile networks, including through the use of 5G technologies.

This investment shall be completed by 30 June 2026.

Investment C2.3 R4-I1 - Implementation of projects under the National Framework Programme for the Development of Broadband Infrastructure in areas where there is insufficient commercial interest in investment

The objective of this investment is to increase national broadband coverage with gigabit connectivity in areas where there is insufficient commercial interest, in line with the National Framework Programme for the Development of Broadband Access Infrastructure.

The measure consists of signing grant agreements for the implementation of the projects under the National Framework for development of broadband access infrastructure (ONP) and providing broadband access for households in white NGA areas.

Investment C2.3 R4-I2 - Construction of passive electronic communications infrastructure

The objective of this investment is to increase the availability of Gigabit networks in rural and sparsely populated areas where there is no commercial interest in the construction of these networks.

The measure consists of signing a grant agreement for the construction of passive electronic communications infrastructure and providing access to 5G for rural and sparsely populated area.

I.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
176	C2.3. R1	M	Digital Croatia Strategy	Entry into force of the Digital Croatia Strategy				Q4	2022	The "Digital Strategy for Croatia 2030" shall clearly define strategic objectives and priorities that will form the basis for defining actions in the following areas: digitalisation of public administration and judiciary; development of broadband electronic communications networks; developing digital competences and digital jobs.
177	C2.3. R2 C2.3. R2.I2	M	Set-up of the platforms for the central interoperability system	Report from the Central Office for the Development of Digital Society (SDURDD) that the platforms are operational and tested for use				Q4	2022	The central national interoperability portal shall provide a catalogue of all services available and the Data Warehouse (DWH) shall be operational for use.
178	C2.3. R2-I1	M	Establishment of the central interoperability system	Report from the Central Office for the Development of Digital Society (SDURDD) that the system is operational and tested for use				Q3	2024	The central interoperable system, providing for the interoperability of registers, shall be online and accessible. It shall: i) ensure the online provision of 19 administrative procedures listed in Annex II of the Single Digital Gateway Regulation to EU cross border users; ii) include the central national portal; iii) integrate and interconnect at least eight additonal existing core public registers into the system; iv) ensure that the information on the various registers is consolidated in one place and

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										available to public administrations, citizens and businesses.
179	C2.3. R3-I1	T	Upgrade of the State Cloud	Report from the Central Office for the Development of Digital Society (SDURDD)	Number	0	6	Q4	2022	6 new functionalities shall be operational for use in the State cloud (CDU) and accessible to users: -A platform for the development, implementation and testing of applications for users, -A platform for ICT support, -A central information security monitoring system for managing potential security events, -A Biometric Authentication Platform, -A platform to manage the digital content of the websites, -A platform for the development of block-chain technologies for the State cloud.
180	C2.3. R3-I1	T	Increase in number of users in the Shared Services Centre		Number	0	450	Q2	2026	450 new users shall be integrated in the Shared Services Centre. Integration of the Shared Services Centre platform into the Common European Data Spaces has started, as confirmed by the supplier of the relevant technology enabling the integration, acknowledging that: i) the meta catalogue of health data located within the Data Lake has been technically prepared, and ii) that the SPE (Secure Processing Environment) has been secured.
181	C2.3. R3-I2	M	Pilot project on cybersecurity	Report from the Ministry of the Interior				Q4	2023	Pilot project for system stress test shall be carried out – with simulation of 'cyber dependent' and

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										'cyber enabled' criminal offences. The system shall be equipped with specific software and hardware components for cybercrime investigation, open source search on the Internet and digital forensics, and investigation analysis sets for the analysis of digital evidence. The implementation of the project shall fulfil the necessary pre-condition for upgrading forensic tools and systems, as well as secret surveillance systems for electronic communications networks and services, necessary to increase the level of cyber security in Croatia and the EU. Once the equipment has been acquired and fully operational, a pilot project to simulate cyber-crime research in the form of Tabletop Exercise shall be carried out, to assess the contribution of the equipment to the achievement of the measures and objectives of the cyber-enforcement project.
182	C2.3. R3-I2	M	Cybersecurity public prevention campaign	Report from the Ministry of the Interior				Q1	2024	A public prevention campaign shall be carried out on cybercrime manifestations and prevention measures, monitored by the following indicators: - number of preventive awareness-raising and education activities carried out by different target groups on measures of self-protective behaviour in relation to the risks of cybercrime - number of participants in the activities - number of preventive materials distributed

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										- number of media posts (includes all media) - number of target groups' responses on social media - number and processed results of on line surveys carried out via social networks - number of evaluation of target groups carried out using quantitative methods
183	C2.3. R3-I3	M	Establishment of a one-stop shop	Report from the Central Office for the Development of Digital Society (SDURDD) that the one-stop-shop is established and operational for use				Q4	2023	The one-stop shop platform (JKC) providing information and customer support to citizens and businesses in a single centralised location, shall be established and operational for use.
184	C2.3. R3-I4	M	CEZIH IT system	Report from the Ministry of Health				Q2	2024	Croatia's central health information system shall be operational for use in the state cloud (CDU)
185	C2.3. R3-I5	T	Digital Identity Card e-signature	Report from the Agency on Digital Security (AKD)	Number	0	300 000	Q4	2024	Certilia mobile application shall be downloaded 300 000 times via Google Play Store and App Store. Additionally, 100 000 certificates shall be issued for remote qualified electronic signature. Certilia mobile application and personal mobile credentials shall enable at least 50 000 unique users to execute authentication process at least 700 000 times.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
186	C2.3. R3-I6	M	State information infrastructure (DII) network upgraded	Upgraded DII online and accessible				Q3	2025	The upgraded State information infrastructure network (DII), shall be online and accessible for use. The network shall: i) Ensure possibility of broadband access to a very high capacity network for all public authorities ii) ensure continued connectivity of all institutions in the system through a new programme that supports the surveillance of the network functioning by the e Network Monitoring Centre (NOC) and, iii) establish a system, available 24 hours a day and 7 days per week, for providing engineering troubleshooting and assistance to users.
187	C2.3. R3-I6	T	New users of the State information infrastructure network (DII)		Number	36	136	Q4	2025	At least 100 new users shall be connected to the State information infrastructure network. Fibre infrastructure, as well as terminal equipment shall be provided to each site.
188	C2.3. R3-I7	M	Digital spatial plans	Digital spatial plans created				Q4	2025	Handover certificate by contractor for the development and delivery of 570 Next Generation spatial plans (spatial plans in digital form).
189	C2.3. R3-I7	M	Upgrade of the Spatial Plans Information System	Electronic modules online and accessible,				Q4	2025	Electronic modules, which digitalise procedures in spatial planning, construction and state assets

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
				and satellite images acquired						as part of the Spatial Plans Information System, shall be online and accessible. Satellite images of the high-resolution area of Croatia shall be acquired.
190	C2.3. R3-I8	T	Digital e-public services integrated into the new mobile platform	Report from SDURDD that the 20 eServices are integrated and operational for use	Number	0	20	Q4	2024	At least 20 eServices shall be integrated into the mobile platform and be operational for use, including: 1) application for a birth registration certificate, 2) request for proof of residence, 3) student status record, 4) initial application for admission to a public higher education institution, 5) request for academic recognition of diplomas, certificates or other evidence of studies or courses, 6) e-Social Care Service, 7) application for a European Health Insurance Card, 8) application for a tax card (PK), 9) registration of a change of address, 10) registration of a motor vehicle originating in or already registered in a Member State, un standard procedures, 11) user mailbox, 12) e-Communication with courts, 13) My account – Regos, 14) request for information on pensions from compulsory schemes, 15) calendar for the payment of compulsory fees, 16) insurance of labour claims, 17) e-Work booklet – electronic record of emplyment status, 18) e-Administrative proceedings, 19) assurance that no criminal proceedings are pending, 20) e-Child card – Mudrica.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
191	C2.3. R3-I9	M	Establishment of a new public procurement platform and mobile application	First public procurement procedure launched on the new e-tendering platform				Q3	2023	The new platform for conducting public procurement procedures, and the mobile application shall be operational, with public procurement procedure being launched on the new e-tendering platform.
192	C2.3. R3-I10	M	CES' digital identity and human resources management systems	Report from CES/HZZ				Q4	2023	The CES' digital identity management system and digital human resources management system shall be in place and operational.
193	C2.3. R3-I10	M	Upgrading the digitalisation of the CES	CES's business processes digitised				Q2	2026	The automation and digitisation of the CES's business processes, enabling the circulation and central processing of electronic documents, shall be delivered by the contractor. It shall include: i) software licences for security incident and event management system ii) a core-process support system iii) the e_Advisor system (which includes digital and biometric signature functionality) iv) the digital archives, vi) a system for accounting vii) a digital document management system.
194	C2.3. R3-I11	M	Upgraded IT system of the Croatian Pension Insurance Institute (HZMO)	Upgraded IT system of the Croatian Pension Insurance Institute shall be delivered.				Q2	2026	The IT system and core business processes of the Croatian Pension Insurance Institute (HZMO) shall be delivered by the contractor. The IT system delivered shall include modules for managing: i) the calculations for pension and child benefits, ii) contributions and payment records, iii) beneficiary data, iv) appeals, review procedures and disputes, v) digital documentation

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										and archives, vi) analytical and accounting data, vii) financial operations,, vii) procurement, contracting and ordering processes, viii) debt and liability (buyers/suppliers), ix) asset management.
195	C2.3. R3-I12	M	Digital archives of the Croatian Pension Insurance Institute (HZMO)	HZMO's handover record of the operating system for managing digital archives				Q4	2022	The system for managing digital archives (Digital Archives Management System) shall be operational
196	C2.3. R3-I12	M	Digital Archives of the Croatian Pension Insurance Institute (HZMO)	Archives scanned and indexed				Q2	2026	Handover certificate by contractor for completion of works for the digitization and indexing of 50 000 000 pages from national archive into the new Digital Archives.
197	C2.3. R3-I13	M	Upgraded Tax Administration Information System	Upgraded Tax Administration Information System is online and accessible				Q2	2026	Upgraded Tax Administration Information Syste is online and accesible. The system shall include: i) A platform which: (a) enables the automation of tax administration's business processes, and (b) provides data analytics. ii) Handover certificate from the contractor on the digitalisation of 340 determination and collection procedures including procedures on the assessment and collection of value added tax, social contributions, and corporate income tax, as well as tax accounting records, payment operations, and systems for

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										European and international exchange of tax data, iii) Security ICT infrastructure which: (a) consolidates and upgrades the ICT infrastructure, (b) increases the level of ICT security and (c) ensures business continuity.
199	C2.3. R3-I14	M	System for e-invoices and online VAT accounting	Report from the Ministry of Finance – Tax Administration				Q4	2024	The new system for registering electronic invoices in the Tax Administration for all users (B2B model and taxable persons for public procurement) and advanced online VAT accounting shall be operational and ready to use.
200	C2.3. R3-I15	T	Tools in the tourism IT system	Report from the Ministry of Tourism and Sport (MINTS)	Number	0	4	Q2	2026	Tools shall be delivered by the contractor: 1) for integrated administrative and non-administrative procedures to facilitate business operations and communication with the public administration 2) for the management of destinations, including a solution to manage tourist flows 3) business intelligence in tourism to support entrepreneurs in business decision-making and public sector decision-making in public policy-making using data derived from various sourcesincluding the 'central tourism register', the 'e-Visitor system' and the CROSTO system 4) upgrading the digitalisation of the CROSTO system, with the development of a digital 'Destination Development Monitoring System' to monitor the sustainability of destinations in line

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										with the 'European Tourism Indicators System for Sustainable Destination Management' (ETIS).
201	C2.3. R3-I16	T	New application modules for the sport IT system	Report from the Ministry of Tourism and Sport (MINTS)	Number	0	3	Q2	2026	Three new application modules shall be integrated in the upgraded sport information system (ISS): 1) for the provision of direct access to sports clubs, with data entry rights (including sports records and athletes' medical examinations records),to the basic registers and registers of the information system in sport 2) for the financing of public sport needs of local and regional government units; 3) for data collection on sport and health-oriented physical exercise including the establishment of a record in the field of health-oriented physical exercise.
202	C2.3. R4	M	Optimisation of the permit granting process for connectivity investments	Entry into force of a revised legal framework				Q2	2022	A revised legal framework shall support the optimisation of the licensing process and allow the presentation of the electronic communication infrastructure in spatial plans. The new framework shall address administrative burden and regulatory barriers related to the construction of very high capacity networks, including 5G networks.
203	C2.3. R4-I1	M	Grant agreements signed for the implementation of the projects under the National Framework for	Report from the Ministry of Sea, Transport and Infrastructure (MSTI)				Q3	2023	Grant agreements for 20 projects under the ONP shall be signed as a result of the selection process

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			development of broadband access infrastructure (ONP)							
204	C2.3. R4-I1	M	Broadband access for households in white NGA areas	Report from the Ministry of Sea, Transport and Infrastructure (MSTI)				Q2	2026	Certificate of completion that the broadband infrastructure has been built that is enabling broadband access of at least 100 MBit/s (upgradable to 1 Giga), for user download, to at least 40 136 additional households in white NGA areas.
205	C2.3. R4-I2	M	Grant agreement signed for the construction of passive electronic communications infrastructure	Report from the Ministry of Sea, Transport and Infrastructure (MSTI)				Q1	2023	Signature of the Grant Agreement and start of project implementation for the construction of passive electronic communications infrastructure
206	C2.3. R4-I2	T	Access to 5G	Report from the Ministry of Sea, Transport and Infrastructure (MSTI)	Number	0	14	Q2	2026	14 passive communication poles shall be installed in the rural and sparsely populated area (where the average population is less than 20/km²). Contracts shall be concluded with operators, showing a commitment from the operators to: i) install active equipment on the 14 passive communication poles, ii) provide 5G services via the active equipment, by end of 2026. The management of the infrastructure to be built through the investment shall be carried out exclusively on a not-for-profit basis, with the aim of ensuring that the proceeds from renting the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										infrastructure cover all operating and maintenance costs of the infrastructure. In the event of rental income exceeding the costs, the surplus shall be directed towards the expansion or construction of new infrastructure capacity.

I.3. Description of the reforms and investments for the loan

Investment C2.3 R3-I17 - Establishment of the Register of Population, Family and Households

The objective of this investment is to establish the Register of Population, Family, and Households (Croatian: Registar stanovništva, obitelji i kućanstva; henceforth: SOK), which shall provide data on income and assets of the population, families and households.

The measure consists in the entry into force of a Law establishing the SOK.

I.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
394	C2.3 R3-I17	M	Law on establishing the Register of Population, Family and Households (SOK)	Entry into force of the Law				Q4	2025	Law on the establishment of the SOK enters into force. The Law shall stipulate that the SOK shall: i) unify the procedures and definitions used for assessing the rights and obligations dependent on the income or assets of individuals, families, or households. ii) be connected with the eTax System.

J. COMPONENT 2.4: IMPROVING THE MANAGEMENT OF STATE ASSETS

The government held state-owned enterprises (SOEs) generate around 7% of the value added of the overall economy and represent 4% of total employment. Given their significant role in the Croatian economy, improving corporate governance of SOEs and the continued reduction in the portfolio of government assets can lead to a distinct rise in overall productivity.

The objective of the component of the Croatian recovery and resilience plan is to promote economic development and increase the overall efficiency of SOEs, through the following measures:

- Further reducing the number of SOEs.
- Improving the management of state properties.
- Adapting the national regulatory framework for corporate governance to international best practices based on OECD recommendations.
- Improving the governance in state-owned enterprises of particular interest to the Republic of Croatia and of majority-owned enterprises of central government and enhancing coordination between the competent national authorities.
- Strengthening human capacity to monitor corporate governance in SOEs.

The component supports addressing the country-specific recommendations on improving corporate governance of SOEs and intensifying the sale of SOEs and non-productive assets (country-specific recommendation 4, 2019). The component also contributes to the post-ERM II-accession commitments to strengthen the SOE management.

J.1. Description of the reforms and investments for non-repayable financial support

Reform C2.4 R1 – Revising the list of state-owned enterprises of particular interest to Croatia

The objective of this reform is to rationalise state ownership by adopting a new ownership policy laying down the criteria for strategic assets and updating the list of SOEs that have a particular interest to Croatia and publishing the explanation justifying the decision to keep a company on this list.

The reform shall be completed by 31 December 2021.

Reform C2.4 R2 – Improving corporate governance in state-owned enterprises of particular interest to the Republic of Croatia and in majority-owned enterprises of central government.

The objective of this reform is to improve the corporate governance of state-owned enterprises.

The reform consists in the provision on the entry into force of a new legal framework on state-owned enterprises incorporating the recommendations of the OECD and the entry into force of an Ownership Policy.

Reform C2.4 R3 – Strengthening human capacity to monitor corporate governance in state-owned enterprises

The objective of this reform is to improve the human capacity for the central government to monitor the governance of state-owned enterprises.

The reform consists in the provision of training for line ministries and central coordination units in corporate governance activities.

Reform C2.4 R4 –Reducing the number of state-owned enterprises which are not of particular interest to Croatia

The objective of this reform is to reduce the number of state-owned enterprises which are not of particular interest to Croatia by facilitating their sale.

Reform C2.4 R5 – Optimisation of State-owned property management

The objective of this reform is to improve the management of state-owned property, its commercialisation and returns from it.

The reform consists in developing an administrative IT system and methodology for the management of state-owned property leading to faster activation of unused assets.

J.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
207	C2.4. R1	M	New Croatian Government Decision adopted on state-owned enterprises of particular interest to Croatia	Publication of revised list of state-owned enterprises of particular interest to Croatia in accordance with established criteria				Q4	2021	The Government shall adopt and publish a new Decision defining a new list of state-owned enterprises of particular interest to Croatia. The decision shall include an explanation why a company is kept on this list. Companies listed - for which the existence of a public interest is not demonstrated - shall be transferred to Restructuring and Sales Centre (CERP) portfolio with a view to monetization of the assets. In this way, the portfolio of Croatia's financial assets will be clearly separated into the part that is of particular interest and therefore shall remain State-owned and the part which is not of particular interest to Croatia and hence be monetised.
208	C2.4. R2	M	New legal framework on state-owned enterprises, incorporating the recommendations of the OECD.	Provision on the entry into force of the law on state-owned enterprises				Q1	2024	The new legal framework for the governance of SOEs shall include provisions to comply with the OECD guidelines on corporate governance of state-owned enterprises, and comprise at least the following: (i) A new law that shall harmonise the regulation on corporate governance of state-owned enterprises in Croatia. In addition, this law shall provide for the establishment of a central coordination unit with a view to a more efficient implementation of proprietary policy in the medium term, i.e. horizontal coordination between competent authorities in charge of carrying out the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										functions of proprietary powers. This law shallstrengthen the board autonomy and independence. This law shall also establish that a) the state has to nominate/appoint members of the SOEs supervisory board within 3 months of the post becoming vacant, and b) that the line ministry proposes a candidate to the government based on a recommendation by the central coordination unit. (ii) A Government decision establishing a central ownership coordinating entity with the adequate mandate and resources, required to effectively fulfil its coordination role. The entity shall develop standards for corporate governance of SOEs and monitor compliance to those standards, monitor the performance of SOEs, and engage in regular public reporting.
442	C2.4. R2	M	Ownership Policy for state-owned enterprises	Entry into force of the Ownership Policy				Q3	2025	Entry into force of an Ownership Policy stating the rationale for state ownership of SOEs fully or majority-owned at the national level and establishing the revision process of the list of state-owned enterprises of particular interest to Croatia.
209	C2.4. R3	T	Training for line ministries and central coordination units in		Number	0	40	Q2	2026	Training related to SEO management shall be provided to at least 40 people.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			corporate governance activities							
210	C2.4. R4	T	The realisation of the sale of 90 state-owned enterprises which are not of particular interest to the Republic of Croatia and are managed by CERP		Number	0	90	Q4	2024	At least 90 state-owned enterprises managed by CERP, which are not of particular interest to Croatia, shall be sold.
211	C2.4. R4	T	The realisation of the sales of 20 state-owned enterprises in the CERP portfolio.		Number	0	20	Q2	2026	Sale of additional 20 state-owned enterprises which are not of particular interest to Croatia.
212	C2.4. R5	M	Develop an IT system and a methodology for of state-owned property portfolio reduction and faster and efficient activation of unused government assets	Developed and implemented IT system and a methodology				Q4	2024	Development of an IT system for the administration and management of the state-owned property portfolio shall be completed. Develop a methodology that shall establish the way to manage effectively disposal of state-owned property for all forms of property emerging in the management of the Ministry of Physical Planning, Construction and State Property (MPGI). The IT system together with the methodology shall enable the reduction of the State-owned property portfolio and a faster and efficient activation of unused state assets. The IT system shall establish an electronic connection to the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										databases of other government administrations and institutions, improving existing internal records on of state-owned property portfolio of the target group.
213	C2.4. R5	T	Increasing the commercialisation, streamlining and activation of state-owned property		Number	0	4 500	Q2	2026	4 500 contracts for the disposal of state-owned real estate shall be concluded.

K. COMPONENT 2.5: MODERN JUSTICE FIT FOR FUTURE CHALLENGES

One of the main strategic objectives outlined in the Croatian recovery and resilience plan is to achieve an efficient and effective justice system that shall contribute to the development of the economy and respond to citizens' expectations of further strengthening the rule of law. The component includes one main reform, which shall contribute to reducing backlogs and shortening court proceedings.

The component supports addressing the country-specific recommendation on the further need to reduce the duration of court proceedings and improve electronic communication in courts (country-specific recommendation 4, 2019 and country-specific recommendation 4, 2020).

The component includes one reform and six investments.

K.1. Description of the reforms and investments for non-repayable financial support

Reform C2.5 R1 - Increasing the efficiency of the justice system to increase citizens' trust.

The aim of this measure is to establish a legal, organisational and technological framework contributing to reducing backlogs and shortening the duration of court proceedings.

The reform consists in amending the legislative framework in the area of justice, adoption of new Framework Benchmarks for the work of judges and organisational changes.

Investment C2.5 R1-I1 - Enhancing the Court Case Management System (eSpis).

The objective of the investment is to further upgrade the eSpis system (together with all modules, in particular e-Communication to enable electronic communication for all parties involved in court proceedings) and move towards a centralised hardware and software solution in order to enable better and cheaper future upgrades and development sustainability, but also stability, operability and security of the eSpis system.

The investment shall include adding new functionalities to the eSpis system with the aim of improving the digitisation of the justice system:

- Full electronic delivery of documents to e-citizens with user mailbox and information on electronic delivery in case of transmission of documents by physical delivery;

- Improved user experience through the implementation of an action plan containing recommendations on technical and IT management aspects (recommendations on administrative and business processes and technical recommendations);

- A new integrated architecture in the Shared Services Centre (State Cloud) to reduce system bottlenecks, increase stability and enable interoperability with other systems.

This investment shall be completed by 31 December 2024.

Investment C2.5 R1-I2 - Improvement of land register information system and cadastre.

The aim of this measure is to increase the volume and quality of linked data between the land registry and cadastre data in Land Data Database (BZP).

The investment consists in increasing the integrated data from 3,86% to 60%.

Investment C2.5 R1-I3 - Develop a toolkit for the public publication and search of court decisions.

The aim of the investment is to set up a system to publish all court decisions with automatic pre-anonymisation by specific software and to publish them on a single publicly accessible portal with elaborate search options, respecting the rules on the protection of personal data.

This investment shall be completed by 31 December 2024.

Investment C2.5 R1-I4 - Implementation of the Zagreb Justice Square project The objective of the investment is to modernise the physical infrastructure by implementing the Zagreb Justice Square project.

The investment consists in the construction of a 45 000 m2 underground garage.

Investment C2.5 R1-I5 - Implementation of energy efficiency measures to renovate obsolete facilities of judicial authorities.

The aim of the investment is to modernise and increase the efficiency of the work of some of the judicial and criminal authorities on Croatia's territory by implementing energy efficiency measures, which shall contribute to the green transition. 20 buildings in the judicial system shall meet the standards on the rational use of energy and thermal protection. The investment concerns, on average, at least a medium-depth level renovation as defined in Commission Recommendation on Building Renovation (EU) 2019/786, resulting in achieving at least a 30% reduction of primary energy demand; or, will achieve, on average, at least a 30% reduction of direct and indirect greenhouse gas (GHG) emissions compared to the ex-ante emissions. In addition, access to buildings shall be adapted to persons with disabilities. For this investment, priority shall be given to the locations of judicial authorities in economically less developed parts of Croatia.

This investment shall be completed by 30 June 2024.

Investment C2.5 R1-I6 – Stable and resilient IT infrastructure for the Justice Information System.

The objective of this investment is toimprove the information systems infrastructure in the judiciary.

The investment consists in an upgraded network infrastructure and new network equipment.

K.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
214	C2.5. R1	M	Electronic tools provided and adequate administrative capacities for the State Judicial Council (Državno sudbeno vijeće, DSV) and the State Attorney's Council (Državnoodvjetničko vijeće, DOV)	Electronic tools and adequate administrative capacities provided for the State Judicial Council (Državno sudbeno vijeće, DSV) and the State Attorney's Council (Državnoodvjetničko vijeće, DOV)				Q1	2022	Electronic tools and adequate administrative capacities shall be in operation for the State Judicial Council (Državno sudbeno vijeće, DSV) and the State Attorney's Council (Državnoodvjetničko vijeće, DOV), in order to improve the quality of the work of both Councils. Their human resources shall be increased by 50% compared to 2021 baseline (by recruiting at least 4 persons) and the linking the DSV and the DOV to the common land registry and cadastre (ZIS) and tax administration information system, shall be implemented in order to establish an effective mechanism for verifying the asset declarations of state officials.
215	C2.5. R1	M	Amendments adopted to the Bankruptcy Act and the Consumer Insolvency Act	Entry into force of the Bankruptcy Act and the Consumer Bankruptcy Act				Q2	2022	Amendments to the Bankruptcy Act and the Consumer Insolvency Act (publication in the Official Gazette) which shall ensure greater efficiency of insolvency proceedings, improve the system of organisation and appointment of insolvency practitioners and supervision of the performance of the service, act as a deterrent against a potential increase in the number of cases due to the conditions of the COVID-19 pandemic and the amendment of Article 212 of the Bankruptcy Act relating to avoidance proceedings.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
216	C2.5. R1	M	Adopted amendments to the Code of Criminal Procedure	Entry into force of amendments to the Code of Criminal Procedure				Q2	2022	Amendments to the Criminal Procedure Act allowing the use of ICT in criminal proceedings, including the introduction of remote hearings, the extension of the possibility of giving on-line testimonies for victims of crime, the possibility to communicate with lawyers via a secure video link and the preparation of hearings for accused persons in pre-trial detention, and the introduction of e-communications.
217	C2.5. R1	T	New training programmes introduced in the framework of the judicial training programme		Number	0	6	Q1	2023	Six new training programmes shall be completed as part of the judicial training programme for judicial officials and officers of the judicial authorities in the Judicial Academy: -Developing different skills (management and management skills for court presidents, court management for heads of court administration and communication skills for court staff – three programmes). -Promoting the rule of law and fundamental rights through high-quality education in the Croatian judiciary. -Specialised training programmes for insolvency judges and training courses for family law judges.
218	C2.5. R1	M	Adoption of amendments to the	Entry into force of amendments to the Code of				Q2	2023	I) Amendments to the Code of Civil Procedure and the Administrative Disputes Act, which shall help to

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			legislative framework in the area of justice with the new Non-contentious Procedure Act.	Civil Procedure, the Administrative Disputes Act, the Land Register Act, the Courts Act, the Area and Seat of Courts Act, the Notarial Act and the new Non-contentious Procedure Act.						shorten court proceedings, speed up the resolution of administrative disputes, reduce the flow of cases and reduce costs; II) The new Non-contentious Procedure Act, which facilitates citizens' access to courts, ensures quality and transparent redress and removes legal uncertainty; III) Amendments to the Law on Notaries to modernise the business of notaries through ICT solutions; IV) The Act amending the Land Register Act for the electronic handling of cases and allowing for a more efficient redistribution of cases within the courts; V) the Act amending the Courts Act and the Law on the Areas and Seats of Courts, which shall allow for the specialisation of judges and the establishment of specialised family units in municipal courts, with a view to ensuring a more effective level of judicial protection for the most vulnerable social groups, children, and which shall revise the conditions for providing expertise and interpretation, of which the system of compulsory professional training will be an important feature. The competence to decide on status issues shall be transferred from the courts to the Ministry of Justice and Public Administration and the system of oversight and accountability shall be strengthened.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
219	C2.5. R1	T	Set up four mediation centres at commercial courts in Zagreb, Split, Osijek and Rijeka and adopted amendments to the Mediation Act		Number	0	4	Q2	2023	Amendments to the Mediation Act that shall further promote voluntary mediation in litigious cases and administrative disputes, reducing case length and costs. Four mediation centres shall be set up and enter in operation in Zagreb, Split, Osijek and Rijeka, where mediators shall be trained and mediation procedures conducted. The central centre in Zagreb and the regional centres in Split, Osijek and Rijeka shall be located in the same place as the commercial courts, the High Commercial Court of the Republic of Croatia, and it shall be possible to provide the necessary professional support to the parties.
220	C2.5. R1	M	New Framework Benchmarks for the work of judges adopted and an active judicial case management tool introduced	Indicative benchmarks for the work of judges adopted, active case management tool introduced				Q3	2023	Indicative benchmarks for the work of judges, which prescribe an increased number of cases to be resolved with a view to encouraging more cases to be dealt with, in particular old cases. The use of the tool for the active management of court cases in selected courts, including the Municipal Civil Court in Zagreb, shall result in greater efficiency (creation of checklists, in particular tagging, self-assessment tools based on the international framework for judicial excellence).
221	C2.5. R1	T	Reduction of the duration of litigation and commercial cases		Number	655	455	Q2	2026	Compared to 2020: Reduction of the duration of litigation and commercial cases, as defined by the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										EU Justice Scoreboard methodology by at least 200 days.
222	C2.5. R1	T	Reduction of the total number of all pending cases		Number	464 770	395 000	Q2	2026	Compared to 2020: Reduce the number of all pending cases by 69 770.
224	C2.5. R1-I1	M	Upgraded eSpis system with new functionalities and new architecture integrated into the Shared Services Centre (CDU)	New digital solutions are implemented to advance the digitalisation of the justice system, including an upgraded eSpis system and with a new architecture integrated into the CDU.				Q4	2024	New features shall be implemented with to improve the digitisation of the justice system: -Full electronic delivery of documents to e-citizens with user mailbox and information on electronic delivery in case of transmission of documents by physical delivery, -Improved user experience by implementing action plan containing recommendations on technical aspects and IT management (administrative and business process recommendations and technical recommendations), -A new integrated architecture in the Shared Services Centre to reduce system bottlenecks, increase stability and enable interoperability with other systems.
225	C2.5. R1-I2	T	60% of land registration and cadastral data integrated		% (Percentage)	3,86	60	Q2	2026	Submitted Final report by the contractor containing the list of cadastre municipalities with the percentage of cadastre parcels in the Land Data Database (BZP) for each cadastre municipality confirming that 60% of land registration and cadastral data have been integrated. The report shall

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										also confirm that the software module (virtual assistant) based on artificial intelligence is created.
226	C2.5. R1-I3	M	All new first and second instance court decisions ending proceedings are anonymised and published on the portal	A system for the public publication and search of court decisions is operational.				Q4	2024	The new functionalities include publication of all first and second instance judgments on the Internet with elaborate search options and automated anonymisation methods that respect personal data protection rules
227	C2.5. R1-I4	T	Construction of a garage area for the Justice Square in Zagreb		Number (brutto m2)	0	45 000	Q2	2026	A garage with an area of 45 000 m² shall be built, as evidenced by: 1. a report on the state of construction of the building, made by the supervising engineer, proving that the building was built 2.Geodetic survey of the built building 3.Building Energy Performance Card The investment concerns the construction of a new building, with a Primary Energy Demand (PED) that is at least 20% lower than the nearly zero energy building (NZEB).
228	C2.5. R1-I5	T	Newly renovated court buildings complying with the Technical Regulation on rational use of		Number	0	20	Q2	2024	Renovation of 20 judicial buildings shall be completed. The newly renovated buildings shall meet standards on rational energy use and thermal protection. The investment concerns, on average, at least a medium-depth level renovation as defined in

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			energy and thermal protection in buildings							Commission Recommendation on Building Renovation (EU) 2019/786, resulting in achieving at least a 30% reduction of primary energy demand; or, shall achieve, on average, at least a 30% reduction of direct and indirect GHG emissions compared to the ex-ante emissions. In addition, access to buildings shall be adapted to persons with disabilities and this adaptation shall be accompanied by compliance with fire and technical protection standards and the functional design of interiors. In this investment cycle, priority shall be given to the locations of judicial authorities in economically less developed parts of Croatia.
229	C2.5. R1-I6	M	All courts of first instance are equipped and meet the conditions for hearing remotely.	Holding remote hearings in all courts of first instance				Q4	2022	Pre-conditions provided for remote hearings in all courts of first instance shall be operational.
230	C2.5. R1-I6	M	Upgrade of ICT infrastructure in judicial bodies	Proof/certificate of delivery of network equipment and network infrastructure				Q4	2025	Proof/certificate of delivery of network equipment and upgraded network infrastructure shall be provided.

K.3. Description of the reforms and investments for the loan

Investment C2.5 R1-I7 - Implementation of the Zagreb Justice Square project

The objective of the investment is to modernise the physical infrastructure by implementing the Justice Square project.

The investment consists in the construction of a 26 000 m2 building.

K.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
443	C2.5. R1-I7	T	Newly built building in the Justice Square in Zagreb		Number (brutto m2)	0	26 000	Q2	2026	A 26 000 m² building shall be built in the Justice Square in Zagreb, as evidenced by: 1. a report on the state of construction of the building, made by the supervising engineer, proving that the building was built 2.Geodetic survey of the built building 3.Building Energy Performance Card The investment concerns the construction of a new building, with a Primary Energy Demand (PED) that is at least 20% lower than the nearly zero energy building (NZEB).

L. COMPONENT 2.6: PREVENTING AND COMBATING CORRUPTION

The objective of the component of the Croatian recovery and resilience plan is to strengthen the framework for preventing and sanctioning corruption through measures to i) increase the efficiency, coherence and openness of authorities in the fight against corruption, ii) improve the implementation of the Law on the Right of Access to Information, iii) enhance corporate governance in majority-owned companies of local and regional government units and iv) strengthen judicial redress capacity in public procurement procedures.

The component supports addressing the country-specific recommendation on the further need to strengthen the framework for preventing and sanctioning corruption in order to guarantee the lawful, transparent and efficient use of public funds (country-specific recommendation 4, 2019).

L.1. Description of the reforms and investments for non-repayable financial support

Reform C2.6 R1 - Increasing the efficiency, coherence and openness of authorities in the fight against corruption through digitalisation, enhancing transparency and improving coordination.

The objective of this measure is to improve coordination and cooperation of the authorities involved in the implementation of national anti-corruption policy documents.

The reform consists in amendments to the legislative framework on the prevention of conflict of interest and the protection of persons reporting irregularities and a new anti corruption strategy for 2021-2030.

Investment C2.6 R1-I1 - Engaging the general public in the fight against corruption by raising public awareness about the harmfulness of corruption

The objective of this investment is to increase the awareness of the general public, officials and public administration officials about the harmfulness of corruption.

This investment consists in the publication of an impact assessment report of the effects of the national information campaign against corruption.

Investment C2.6 R1-I2 - Digitalisation of the Ethics System of Civil Servants.

The investment shall include the development and putting into operation an electronic ethics infrastructure management system to modernise and improve the work of the Ethics Commissioners, the Ethics Commission and the officials employed by the Ethics and Integrity Service.

The investment shall be fully implemented by 31 December 2024.

Investment C2.6 R1-I3 - Improving the asset declarations IT system of state officials.

The objective of the investment is to further strengthen the procedure for the filing and processing of property declarations of officials by automating some of the processes in the existing IT system for submitting an official's asset statement.

The investment shall be completed by 30 June 2024.

Investment C2.6 R1-I4 - Supporting efficiency in the fight against corruption and organised crime

The objective of this investment is to enhance efficiency in the fight against corruption and organised crime.

The investment consists in the renovation of PNUSKOK offices Zagreb and Split and new equipment for 4 regional centres of the Police National Office for Combating Corruption and Organised Crime (PNUSKOK).

Reform C2.6 R2 - Improving the implementation of the Law on the Right of Access to Information

The Law on the Right of Access to Information is the principal instrument for exercising the constitutionally guaranteed right of citizens to access information held by public authorities to ensure the transparency and openness of government and in the fight against corruption. The reform shall include an in-depth evaluation of the Law and its effects on exercising the right to information, both from the perspective of users and public authorities, followed by the adoption of amendments to the Law on the Right of Access to reflect the recommendation of the evaluation.

The reform shall be completed by 31 December 2023.

Reform C2.6 R3 - Improving corporate governance in majority-owned companies of local and regional government units

The objective of this reform is to improve the efficiency, transparency and accountability of the local government-owned companies. This reform consists in developing a handbook for the implementation of the OECD recommendations on corporate governance in companies majority owned by local and regional government units, assessment of the effects of the 2021-2022 Anti-Corruption Programme for majority-owned companies of local and regional government units, and trainings.

Reform C2.6 R4 - Strengthening judicial redress capacity in public procurement procedures

The objective of the reform is to strengthen judicial protection in public procurement procedures through educational workshops for the judges that are expected to increase their knowledge and awareness of corruption risk management and judicial redress in public procurement procedures. The workshops shall be organised by the Judicial Academy as part of the lifelong professional development of judicial officials.

The reform shall be implemented by 30 June 2024.

L.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
231	C2.6. R1	M	Adoption of a new anti-corruption strategy for 2021-2030	New Anti-Corruption Strategy 2021-2030 adopted by the Parliament and published in the Official Journal				Q3	2021	The strategy shall include measures to manage corruption risks in priority areas and to meet the following five objectives: •Strengthening the institutional and normative framework for the fight against corruption. •Enhancing the transparency and openness of the work of public authorities. •Strengthening integrity and conflict of interest management systems. •Strengthening anti-corruption potential in the public procurement system. •Increasing public awareness of the harmfulness of corruption, the necessity to report irregularities and enhance transparency.
232	C2.6. R1	M	Adoption of the new Law on the Prevention of Conflict of Interest	Entry into force of the act amending the Law on Prevention of Conflict of Interest				Q4	2021	The Act on the Prevention of Conflicts of Interest shall be amended to i) extend the scope of the Act in terms of addressees, including companies owned by local and regional government units and companies owned by such companies, ii) oblige certain categories of addressees of the law to fill in asset declarations annually and to make declarations within given deadlines, iii) remedy any potential conflict of interest, iv)

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										regulate the possibility of better determining penalties for infringements by introducing the principle of proportionality into the law, and regulate some aspects of the cooling period, including proposals from the Committee for the Resolution of Conflicts of Interest as to how to improve the law in practice and v) provide a legal basis for drawing up a model code of ethics for members of representative bodies of local and regional government units, the adoption, implementation and supervision of which would be the responsibility of representative bodies.
233	C2.6. R1	M	Adoption of amendments to the Act on the protection of persons reporting irregularities	Entry into force of the amendments to the Act on the Protection of Persons Reporting Irregularities				Q4	2022	The Law on the Protection of Persons Reporting Irregularities shall be amended to i) improve the provisions of the Act, ii) clarify the notion of a confidential person and iii) make provisions for the delivery of a certificate of registration received.
234	C2.6. R1	M	Adoption of a code of ethics for parliamentarians and a code of ethics for officials in the executive	Entry into force of a Code of Ethics for Parliamentarians adopted and Code of Ethics for officials in the executive				Q4	2023	The Code of Ethics for Parliamentarians and officials in the executive will provide guidance on conflicts of interest and other integrity issues.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
235	C2.6. R1	T	Increase the staff budget for employees of anti-corruption bodies in the justice system.		% (Percentage)	100	110	Q2	2024	Increase by 10 per cent staff budget compared to 2020 (including recruitment and mobility within the judicial system).
236	C2.6. R1	T	Increase the budget for the acquisition of IT tools and equipment by judicial authorities to investigate corruption and organised crime offences		% (Percentage)	100	120	Q2	2024	Increase by 20 per cent the budget compared to 2020 for computer services and IT equipment for anti-corruption authorities in the judicial system.
237	C2.6. R1	M	Setting up an IT platform to monitor the implementation of national anti-corruption measures	IT platform online and accessible				Q4	2025	Setting up an IT platform to monitor different areas of corruption prevention: (1) protection of whistle-blowers, (2) right of access to information, (3) lobbying, (4) conflict of interest, (5) coordination of national authorities for drafting, implementing and monitoring of the implementation of national strategic and implementation documents, (6) updating and publishing lists of state-owned companies and companies owned by local government and regional government units, (7) reporting to the Office of the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										Ombudsman,
238	C2.6. R1	T	Reducing the average length of court cases for corruption and organised crime offences		Number	999	799	Q4	2024	Reduction by 200 days of the average length of court cases for corruption and organised crime offences compared to 1Q/2021 (999 days).
239	C2.6. R1-I1	M	Evaluation of the effects of the national information campaign against corruption	Publication of Impact Assessment Report				Q2	2025	Impact Assessment Report shall be published. It shall contain recommendations regarding the evaluation of the effects of the national media campaign against corruption.
240	C2.6. R1-I2	M	Establishment of an information system for the management of the ethical infrastructure of civil servants	The information system has been fully developed and put into operation				Q4	2024	An Electronic Ethical Infrastructure Management System shall be develop and put in operation with a view to modernise and improve the work of the Ethics Commissioners, the Ethics Commission and the officials working in the Ethics and Integrity Service, comprising functionalities to process at least the following categories of complaints: - Complaints about the way citizens are treated by officials - Complaints about behaviour in public

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										appearances. - Complaints about obtaining material or other benefits. - Complaints about conflicts of interest. - Complaints from civil servants concerning other civil servants, including about the behaviour of superiors.
241	C2.6. R1-I3	M	Improved asset declaration information systems for state officials and judicial officials	Information systems have been upgraded and implemented				Q2	2024	The current system for submitting the asset statement of officials shall be improved by allowing for the automatic filling of data from available public sources and improving the preconditions for checking the information contained in the asset statement of state officials and judicial officials.
242	C2.6. R1-I4	T	Upgrade of 4 regional centres of the Police National Office for Combating Corruption and Organised Crime (PN USKOK)		Number	0	4	Q2	2025	Supervising engineer reports and reports on energy renovation efficiency shall be delivered for regional PN USKOK centers in Zagreb and Split. Certificates of delivery for new IT equipment, for example for the use of software tools and digital evidence storage servers, shall be delivered for all four regional centers.
243	C2.6. R2	M	Evaluation of the effects of the Law on	Publication of Evaluation Report on the Right of Access to Information Act				Q4	2023	Published study with recommendations regarding the evaluation of the effects of the Law on the right of access to information and its impact on the constitutionally guaranteed

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			the right of access to information							exercise segment from the perspective of users and public authorities. Recommendations will be taken into account in the context of future amendments to the Act on the Right to Access.
244	C2.6. R3	M	Application of OECD corporate governance recommendations on majority ownership of local and regional units	Publication of an handbook for the application of the OECD recommendations on corporate governance in majority-owned local and regional units				Q1	2024	Published Handbook on: -The application of OECD recommendations on corporate governance in majority ownership by local and regional government units. -The introduction and implementation of a compliance function in all legal entities obliged to establish it. Importance of implementing anti-corruption policies, introducing a code of ethics and a better established compliance function, as to confirm that the company carefully implements the prevention of unethical behaviour, as well as an organisational culture that encourages ethical behaviour and compliance.
245	C2.6. R3	M	Assessment of the effects of the implementation of the 2021-2022 Anti-Corruption Programme for	Publication of Impact Assessment Report				Q2	2026	The Report on the effects of the implementation shall be published.The methodology developed in the Report shall make it possible to assess the effects of Anti-Corruption Programme implementation for companies owned by local and regional

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			majority-owned companies of local government and regional government units							government units and of future such documents. 5 trainings of representatives of companies majority owned by local and regional self-government units on the application of the Handbook for the implementation of the OECD recommendations on corporate governance in companies majority owned by local and regional units and the importance of strengthening integrity and combating corruption shall be held. 3 roundtables and 1 conference on corporate governance in majority-owned companies of local and regional government units shall be held.
246	C2.6. R4	T	Training of judges on corruption risk management in public procurement and judicial protection in public procurement procedures		Number	0	20	Q2	2024	20 judges of the High Administrative Court of Croatia shall be trained on corruption risk management in public procurement and judicial redress in public procurement procedures. To that end, 2 workshops shall be organised by the Judicial Academy as part of the lifelong professional development of judicial officials, in the form of classic/regular training and distance learning depending on the circumstances, to further

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										strengthen judicial protection in public procurement procedures.

M. COMPONENT 2.7: STRENGTHENING OF THE FISCAL FRAMEWORK

This component aims at further strengthening the fiscal framework and fiscal discipline through the new Budget Act to improve budgetary processes, improve financial reporting and develop a macroeconomic projection model.

Reinforcing the fiscal framework is one of the key elements in improving the sustainability of public finances, which in turn contributes to macroeconomic stability and creates the preconditions for increasing potential growth rates, as well as economic recovery and resilience.

The component addresses the country-specific recommendations on strengthening the fiscal framework (country-specific recommendation 1, 2019) and pursuing fiscal policies aimed at achieving prudent medium-term fiscal positions (country-specific recommendation 1, 2020).

M.1. Description of the reforms and investments for non-repayable financial support

Reform C2.7 R1 - Improving fiscal planning and reporting

The objective of this reform is to amend the Budget Act to improve budgetary processes and related budgetary documents, as well as financial reporting, thus ensuring the development of an efficient and sustainable public finance management system.

The reform shall include:

- Drafting and adopting the new Budget Act.
- Ensuring the full functionality of the Fiscal Policy Commission, through the appointment of a new chair based on a public call.

The reform shall be completed by 31 March 2022.

Reform C2.7 R2 - Development of a structural macroeconomic model of the Croatian economy

The aim of the reform is to develop a structural macroeconomic model of the Croatian economy, which is suitable for producing medium-term macroeconomic forecasts, simulating the effects of economic policies and impact assessments of shocks, and ultimately to strengthen the capacity of the Ministry of Finance to prepare budgetary forecasts.

The reform shall be completed by 30 September 2022.

M.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
247	C2.7. R1	M	Strengthening the fiscal framework through the adoption of the Budget Act to improve the budgetary processes	Entry into force of the new Budget Act				Q4	2021	The new Budget Act shall set out the process and key documents for the preparation, adoption and execution of the state budget, the budget of local and regional government units and their extra-budgetary users, the borrowing framework for local and regional government units, the monitoring of the use of own and earmarked revenues, the forecast and control of future spending including multi-annual commitments, allowing also for more flexibility in the implementation of EU projects and ensuring compliance with Council Directive 2011/85 in order to establish a more efficient system of financial and statistical reporting.
248	C2.7. R1	M	Ensuring the full functionality of the Fiscal Policy Commission.	Appointment by Parliament of the new Chair of the Fiscal Policy Commission				Q4	2021	The appointment of a new chair of the Fiscal Policy Commission shall ensure the full functionality of the Commission and the implementation of the Fiscal Accountability Act (OG 111/2018).
249	C2.7. R2	M	Development of a structural macroeconomic model of the Croatian economy for producing medium-term macroeconomic forecasts, budgetary planning	Development and putting into use of a fully functional structural macroeconomic projection model of the Croatian economy to				Q3	2022	A structural macroeconomic model of the Croatian economy shall be developed for producing medium-term macroeconomic forecasts, simulate the effects of economic policies and the impact of shocks, and ultimately strengthen the capacity of the Ministry of Finance for preparing budgetary forecasts. The initial model shall be developed by the end of 2021

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			and economic policy analyses	draw up projections underlying the annual budget.						and shall be fully operational by mid-2022, enabling to draw up projections underlying the 2023 budget. The results of the model shall be used for the preparation of budgetary documents, improving the quality of medium-term budgetary forecasts and thus the sustainability of public finances.

N. COMPONENT 2.8: STRENGTHENING THE ANTI-MONEY LAUNDERING FRAMEWORK

The objective of this component is to strengthen the ability of the Croatian authorities (supervisory authorities, the Anti-money Laundering Office, law enforcement authorities) to fight money laundering and the financing of terrorism, improve their coordination and cooperation and further raise awareness for all stakeholders involved.

This reform is in line with Croatia's Action Plan for participation in the European Exchange Rate Mechanism II (ERM II).

N.1. Description of the reforms and investments for non-repayable financial support

Reform C2.8 R1 - Awareness raising of the need to prevent money laundering

The aim of this reform is to maintain the efficiency of the financial system in line with international standards while preventing illegitimate financial flows by raising awareness, through the establishment of a framework for regular training, among all responsible institutions and authorities for the implementation of the anti-money laundering measures.

Reform C2.8 R2 - Enhancing cooperation between the Anti-Money Laundering Office and the supervisory authorities

The aim of this reform is to enhance cooperation between the Anti-Money Laundering Office and the supervisory authorities by improving the exchange of information and best practices in the fight against money laundering and terrorist financing.

Reform C2.8 R3 – Complete implementation of the Action Plan to reduce identified money laundering and terrorist financing risks

The overall objective of this reform is to implement the Action Plan to reduce the risks identified in the National Money Laundering and Terrorist Financing Risk Assessment in Croatia adopted by the Government. The action plan contains measures aiming to, for example, strengthen the administrative capacity of the Anti-money Laundering Office, the Financial Inspectorate and the supervisory authorities, increase the number of supervisory activities, improve the IT infrastructure and provide training to officers of all obliged entities with a view to strengthening cooperation and administrative capacity.

Reform C2.8 R4 - Enhancing anti-money laundering and counter terrorism financing supervision based on a risk assessment in the financial sector in Croatia

The overall objective of this reform is to improve the framework for the prevention of money laundering and countering the financing of terrorism in Croatia and strengthen institutional and administrative capacity, by implementing the recommendations made under the Technical Support Instrument (TSI) project on developing a risk-based approach to anti-money laundering and counter terrorism financing supervision.

The reform shall be completed by 31 December 2025.

N.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
250	C2.8. R1	M	Raising awareness among all responsible parties through regular training	Framework in place for continuous training of staff obliged to report on the prevention of money laundering and terrorist financing				Q4	2020	The Framework in place for continuous training by Supervisory bodies and the Anti-Money Laundering Office of staff of all reporting institutions and authorities, including anti-money laundering compliance officers and credit institutions' management. Educational initiatives envisaged in the framework shall focus on raising awareness of the risk-based approach to carrying out customer due diligence measures and on the obligation to report suspicious activities. As part of the framework, Supervisory bodies and the Anti-Money Laundering Office shall regularly provide institutions and authorities with up-to-date information on money laundering developments.
251	C2.8. R2	M	Continuation of cooperation between the Anti-Money Laundering Office and supervisory authorities	Updated cooperation agreement is signed between the Anti-Money Laundering Office and the supervisory authorities on exchange of information and cooperation				Q4	2020	Updated cooperation agreement between the Anti-Money Laundering Office and the supervisory authorities on exchange of information, and cooperation, which shall include: i) the exchange of data and information necessary for the supervisory procedures, ii) the exchange of information on irregularities identified at reporting entities,

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										iii) the exchange of information on the latest Money Launderers/Terrorism Financiers typologies identified by the Anti-Money Laundering Office and the supervisory authorities, iv) the increase in supervisory activities based on the identified risks of money laundering and terrorist financing and v) the exchange of statistical data for the purpose of the National Money Laundering and Terrorist Financing Risk Assessment and assessment of the effectiveness of the system efforts in the prevention and detection of money laundering and terrorist financing.
252	C2.8. R2	T	Strengthen supervision through regular meetings of Interinstitutional Working Group on Supervision		Number	0	12	Q4	2024	In order to harmonise supervisory practices, improve the exchange of experience and knowledge between supervisory authorities and exchange information, the Interinstitutional Working Group on AML/CFT Supervision (MIRS) shall have at least 12 meetings between end 2020 and end 2024. The interinstitutional Working Group on Supervision shall reinforce the cooperation between all supervisory authorities responsible for overseeing the implementation of the Anti Money Laundering and Terrorist Financing Act measures and actions. In particular, the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										Interinstitutional Working Group on Supervision shall monitor: i) effective exchange of statistical data on carried surveillance, ii) the exchange of surveillance experiences (‘best practices’), (iii) the exchange of information on irregularities detected in the application of the Act, (iv) the strengthening and coordination of surveillance activities, and (v) the exchange of information on surveillance plans.
253	C2.8. R3	M	Complete implementation of the new Action Plan to mitigate identified money laundering and terrorist financing risks based on an updated national risk assessment.	Complete implementation of the new Action Plan to mitigate identified money laundering and terrorist financing risks by further strengthening cooperation and information exchange				Q4	2021	Based on the National Money Laundering and Terrorist Financing Risk Assessment in the Republic of Croatia, an Action Plan to mitigate the identified risks of money laundering and terrorist financing shall be fully implemented by 31 December 2021. The action plan shall contain measures to reduce the identified risks, public law and other bodies designated by the holders for the implementation of the individual measures, as well as the deadline for the implementation of the measures. The plan shall take account of the risks identified by supervisors (Croatian National Bank, Financial Inspectorate, Croatian Financial Services Supervisory Agency), Anti-Money Laundering Office, State Attorney's Office of the Republic of Croatia and legal obliged entities (banks

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										and others). It shall further strengthen cooperation and information exchange between all responsible institutions and authorities.
254	C2.8. R4	M	Strengthening supervision of the financial sector based on a risk assessment in the area of AML/CFT	Full implementation of enhanced procedures and methodologies for risk based supervision, developed under the Technical Support Instrument (TSI) project “Risk-based anti-money laundering and financing of terrorism supervision in financial sector in Croatia”, in order to effectively mitigate identified money laundering and terrorist financing risks				Q4	2023	The authorities shall take measures, if necessary by adopting legislation, to strengthen supervision of the financial sector, on the basis of a risk assessment by the Croatian National Bank and Croatian Financial Services Supervisory Agency and using a risk-based approach developed in line with the results from the technical assistance provided under the Technical Support Instrument. The actions shall strengthen institutional and administrative capacity and contribute to improving the effectiveness of the whole anti-money laundering and counter terrorism financing prevention system in Croatia and ultimately to improve the overall anti-money laundering framework in Croatia.

O. COMPONENT 2.9: STRENGTHENING THE PUBLIC PROCUREMENT FRAMEWORK

To enhance the public procurement framework and align it with the EU best practices, this component of the Croatian recovery and resilience plan includes measures to improve the training system for public procurement, strengthen the review system by the introduction of mandatory e-appeals and encourage the use of innovative procurement. The enhanced public procurement system shall, *inter alia*, contribute to the fight against corruption and lead to better absorption of the EU funds, which are expected to result in an improved business environment, increased private investment, productivity and creation of new jobs.

The component includes three reforms and one investment aiming to enhance the transparency and efficiency of the public procurement system in Croatia. These shall also contribute to the enhanced prevention of corruption, in particular at the local level (CSR 2019) and improve the capacity and efficiency of the Croatian public administration (CSR 2020).

O.1. Description of the reforms and investments for non-repayable financial support

Reform C2.9 R1 - Continuous provision of public procurement training

The objective of the reform is to improve the public procurement training system by developing new tools to acquire theoretical and practical knowledge, professional skills and competences for professional, cost-effective, efficient and effective implementation of public procurement procedures at all levels. It shall build on a comprehensive approach to strengthening the competitiveness of stakeholders in the public procurement system by integrating the results of the workload analysis under the investment action C2.9.R1-I1. Notably, the analysis shall define the needs for continuous and planned training of the key public procurement employees based on the Competence matrix defining 30 competences and skills.

In addition, the European Competence Framework for Public Procurement Professionals ProcurCompEU, which serves as a common reference framework for procurement practitioners, shall be introduced in the Croatian training system by 31 December 2023. First, for individuals, the framework facilitates identification and the design of personal and professional competences. Second, contracting entities shall use it to assess and improve the efficiency of public procurement in their organisation. Finally, training providers in public procurement shall be able to use the ProcurCompEU framework to develop comprehensive learning and training programmes.

Third, the general training programmes, which shall also be open to the bidders, shall raise the level of knowledge and skills in conducting public procurement procedures on the side of the bidders, improving the level of participation and success of SMEs in public procurement.

This reform shall be completed by 31 December 2023.

Investment C2.9 R1-I1 - Analysis of the workload of employees of key institutions in the public procurement system

This investment shall deliver a workload analysis to determine the number of actors, the required competences of the staff, and the needed improvements to the compensation system. Implementing the recommendation of the analysis is expected to achieve and maintain an optimal number of highly-skilled, motivated staff, responsive to the needs of key public procurement institutions.

The measure includes:

- the workload analysis in the public procurement bodies, included in the management of the EU funds;
- the description of the tasks they perform;
- the definition of the competences required.

The workload analysis shall be based on historical workload data, taking also into account the expected workload trends, including the needs for continuous and planned training of staff on specific procurement-related topics such as strategic, socially-responsible, sustainable procurement, innovative procurement and SME access to this procurement market.

The results of the analysis shall be used to define the continuous and planned training needs of the staff of key institutions in the public procurement system (MINGOR- Ministry of Economy and Sustainable Development, SAFU- Central Finance and Contracting Agency, and DKOM- The State Commission for Supervision of Public Procurement).

This measure shall be completed by 30 September 2022.

Reform C2.9 R2 - Strengthening the review system in public procurement

The objective of the reform is to contribute to the reduction of the administrative burden related to the review system and help in the fight against corruption through shortening the average time for appeals and making e-appeals mandatory.

The reform consists of changes to the legislative framework for public procurement to introduce the e-appeal as a mandatory tool in the public procurement system and the reduction of the average time for dealing with appeals.

Reform C2.9 R3 - Innovative Procurement

The objective of the reform is to increase the use of innovation procurement in Croatia.

This measure includes the development and implementation of a training programme on innovation procurement for public procurers in Croatia.

O.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
256	C2.9. R1	M	Guidance on improving SMEs' participation in and pooling of public procurement procedures	Publication of guidelines on the Public Procurement Portal				Q3	2022	In order to further encourage the involvement of SMEs in public procurement procedures, guidelines shall be developed and published for contracting entities and tenderers to encourage SMEs' participation in the public procurement market. The guidelines shall also include the most important provisions of the Public Procurement Act aimed at making it easier for SMEs to compete for public contracts. Cooperation with business associations in providing targeted training to bidders in public procurement procedures shall continue. The guidance will be prepared based on the result of the Structural Reform Support Programme project.
257	C2.9. R1	M	Amendment to the Rules on training in public procurement	Entry into force of the amendments to the Rules on training in public procurement				Q1	2023	The amendments to the legislative framework in order to improve training in public procurement shall include: i) establishing a curriculum for Upskilling Programmes, defining the competences and learning objectives, (ii) integrating ProcurCompEU into the mandatory training and certification scheme for public procurement; (iii) a requirement to conduct a qualitative assessment of the trainings. The amendments are expected to provide a comprehensive approach necessary to ensure the strengthening of the administrative capacity of staff in key public procurement institutions, also using the recommendations from the workload analysis (R1-I1). Based on the results of the organisational

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										assessment and strategic priorities, priority shall be given to trainings that can provide the greatest impact in achieving objectives such as integrity and transparency issues, proper planning of procedures, fair and open technical specifications, clear selection and evaluation criteria for tenders, contract management and amendments.
258	C2.9. R1	M	Integration of a tailored framework for continuous training of procurement officers under ProcurCompEU into the mandatory training and certification scheme for public procurement.	Entry into force of the framework for continuous training of public procurement officers aligned with ProcurCompEU;				Q4	2023	The ProcurCompEU tool shall be adapted to Croatia's specificities and integrated into the existing mandatory public procurement training and certification scheme. A subpage on the Public Procurement Portal will be created where ProcurCompEU tools are available and free to use by all stakeholders in the public procurement system, and the competent public procurement policy body supports its practical implementation and supervision.
259	C2.9. R1-I1	M	Publication of independent analysis and concrete recommendations to improve the burden management of all staff of key institutions in the procurement system (MINGOR, SAFU, DKOM).	Publication of analysis of the workload of employees of key institutions in the public procurement system (MINGOR, SAFU and DKOM) including an action plan to implement human resources recommendations and measures				Q3	2022	A comprehensive analysis shall be carried out by independent external experts of the workload of staff of key institutions in the public procurement system included in the EU funds, including the description of the tasks they perform and the necessary competences and compensation system. The published independent report will be based on a comprehensive analysis of roles in the public procurement system and workload, taking into account historical workload data and comparing them with trends in increasing workload, including training needs on specific topics such as sustainable

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										procurement and access to SMEs. The report shall include an action plan to implement measures and recommendations for improvement to ensure the recruitment and retention of highly skilled personnel.
260	C2.9. R2	M	Amendment of the public procurement legislative framework making the use of e-appeal a mandatory means of lodging an appeal	Entry into force of the amendments to the Public Procurement Act and the by-laws (Ordinance on Appeals in Public Procurement Procedures)				Q3	2022	The public procurement legislative framework (the Public Procurement Act and relevant by-laws) shall be amended to introduce e-appeal as a mandatory means of obtaining redress in the public procurement system.
261	C2.9. R2	T	Reducing the average time for dealing with appeals and decisions		Number	35.2	29.2	Q4	2024	The average number of days for deciding on appeal cases from the date of receipt of the appeal shall be reduced by at least 6 days.
263	C2.9. R3	M	Programmes and activities aimed at designing and managing innovative public procurement	Programme in place to provide professional assistance and training to procurers in innovation procurement				Q1	2024	With the use of technical assistance support Croatian institutions shall set up programmes to provide professional assistance to procurers in innovation-related procurement procedures. The Competition Centre for Innovative Public Procurement set up in HAMAG-BICRO (Croatian Agency for Small Businesses, Innovation and Investment) shall be strengthened and its staff trained to provide training on public procurement of innovation on its own. The administrative capacity of MINGOR (Ministry of Economy and Sustainable Development) shall also be strengthened in the same way. A progress report on this strengthening of capacities shall be prepared by Q1 2024.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										Furthermore, a manual for procuring entities with guidance on how to conduct innovation-related procurement procedures shall be published.
264	C2.9. R3	T	Training on innovation procurement		Number	0	150	Q4	2025	Representatives of at least 150 public procurers shall be trained on innovation procurement. The authorities shall also monitor the use of innovation procurement with a statistical publication and carry out awareness raising activities for private sector stakeholders.

P. COMPONENT 3.1: REFORM OF THE EDUCATION SYSTEM

The education system in Croatia faces a number of significant challenges. Attendance in formal childcare and participation in early childhood education and care (ECEC) are among the lowest in the EU, largely stemming from a lack of ECEC infrastructures and shortage of teachers, with wide regional disparities exacerbating inequalities. The compulsory schooling cycle (lasting eight years) is one year shorter than the EU standard. The annual instruction time in primary schools is also lower than EU average, as many schools operate in shifts due to infrastructure shortages. Pupils' performance in all basic skills is below the EU average. Tertiary education attainment is one of the lowest in the EU. Participation in adult education is also very low.

The objective of this component is to tackle all those challenges. It includes a comprehensive reform of the education system, which aims to support access to and quality of education at all levels of education. It also includes complementary investments in ECEC infrastructure, schools and higher education digital infrastructure.

This component contributes to addressing the country-specific recommendations addressed to Croatia in the past two years, on the need to "*deliver on the education reform and improve both access to education and training at all levels and their quality and labour market relevance*" (CSR 2 2019) and to "*promote the acquisition of skills*" (CSR 2 2020).

P.1. Description of the reforms and investments for non-repayable financial support

Reform C3.1 R1 - Structural reform of the education system

The objective of this measure is to improve access to and quality of education at all levels, especially for people and children from socio-economically disadvantaged groups[19].

- Early childhood education and care (ECEC)

This reform consists in improving access to early childhood education and care (ECEC) for children from the age of three until starting primary education and setting up a new financing model to ensure the long-term sustainability of ECEC funding.

- Primary schools

The aim of the reform is to increase the quality of teaching and learning outcomes, especially for children from disadvantaged socio-economic backgrounds, by implementing single shift, full-day teaching in primary schools and increasing the number of mandatory teaching hours. The reform also aims at supporting continuous teacher development and systematic external evaluation of learning outcomes in primary schools.

The reform shall amend the Education Act to introduce the new full-day teaching model in primary schools, amending the minimum number of mandatory teaching hours and the curriculum for primary schools, and shall be accompanied by systematic teachers' development programmes.

This sub-set of measures of the reform shall be completed by 31 December 2023.

- Secondary schools

[19] In particular Roma children, children with disabilities, children living in Croatia's least developed regions, children from families from lower socio-economic status and other vulnerable groups of children.

The aim of the reform is to increase the relevance of secondary education, by increasing students' enrolment in general secondary education ('gimnazija' programmes), while reducing the share of vocational education and training (VET) and improving the labour market relevance of vocational programmes.

The reform shall contribute to consolidating the numerous existing secondary vocational programmes, by reducing surplus vocational programmes and increasing the programmes' relevance to labour market needs. The reform shall introduce new curricula based on qualification and occupational standards of the Croatian Qualifications Framework (CROQF), which shall be accompanied by the development of new teaching material and professional training of vocational education teachers.

This sub-set of measures of the reform shall be completed by 31 December 2023.

- Adult education

The aim of the reform is to increase the quality and relevance of adult education. The New Adult Education Act shall align adult education programmes with the qualification standards of the Croatian Qualifications Framework (CROQF), which is expected to facilitate the recognition of acquired knowledge and skills. The reform shall also provide for the introduction of individual education accounts to enable every person to participate in lifelong learning. The reform shall also introduce a system of evaluation of adult education providers.

This sub-set of measures of the reform shall be completed by 31 December 2023.

This reform is supported by three investments (C3.1 R1-I1, C3.1 R1-I2, C3.1 R1-I3, and C3.1 R1-I4).

Investment C3.1 R1-I1 - Construction, upgrading, reconstruction and equipping of ECEC facilities

The objective of this investment is to support access to early childhood education and care in Croatia. This measure includes the construction of new ECEC facilities and the renovation of existing ones, with the objective to create 22 500 new places in ECEC.

Investment C3.1 R1-I2 - Construction, upgrading, reconstruction and equipping of primary schools for single shift full-day teaching

The objective of this measure is to support the shift to full-day teaching for primary schools in Croatia. The measure consists of the construction of new primary schools and the upgrade of existing ones.

Investment C3.1 R1-I3 - Construction, upgrading, refurbishment and equipping of secondary schools

The objective of this measure is to increase physical infrastructure capacities in secondary schools. The measure includes the construction of new secondary schools and the upgrade of existing ones, including schools' sport infrastructures.

Reform C3.1 R2 - Modernisation of higher education

This reform aims at improving the availability, quality and labour market relevance of higher education, as well as at increasing the share of higher education graduates, in particular from vulnerable and under-represented groups.

The reform shall include the adoption of a new Science and Higher Education Act and a new Law on Quality Assurance in Science and Higher Education, in order to establish a new efficient funding model for public universities and other public higher education institutions. The new funding model shall be based on transparent criteria and performance indicators linked to the institution's development objectives. The introduction of the new funding model is expected to be implemented through programme agreements covering the university/institution's scientific research and teaching activities for a period of two years.

The reform also aims at better aligning education with labour market needs. It shall continue setting up qualification standards for all higher education qualifications and including them in the Register of the Croatian Qualifications Framework (CROQF), which is expected to better align higher education qualifications with labour market needs. The reform shall also set up a digital register of diplomas, which is a step towards the development of a graduate tracking system to enable tracking of graduates' employability.

The reform shall also support closer links between teaching and scientific research activities, the internationalisation and participation of Croatian universities in alliances of the European universities of the future, and support the digital transformation of higher education.

The reform shall be completed by 31 December 2023.

Investment C3.1 R2-I1 - Digital transformation of higher education

The objective of this measure is to support the digital transformation of higher education and facilitate e-learning.

The measure consists of investments in digital infrastructures for teaching and digital teaching tools.

P.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
265	C3.1. R1	M	Adoption of the revised adult learning legal framework	Entry into force of the revised legal framework regulating adult learning				Q4	2021	The revised legal framework regulating adults' education shall support a better match between the offer of programmes and labour market needs, by aligning adult education programmes with the content of the qualification standards of the Croatian Qualifications Framework (CROQF) and enabling the recognition of informal and non-formal learning.
266	C3.1. R1	M	Comprehensive analysis of secondary education needs	Publication on the website of the Ministry of Science and Education of the results of the comprehensive analysis conducted on secondary education needs				Q1	2022	Comprehensive analysis of secondary education needs shall be conducted to support measures to increase the share of students enrolled in general secondary education programmes, to reduce the share of students enrolled in surplus vocational programmes and to align vocational programmes with labour market needs.
267	C3.1. R1	M	Adoption of the Model for the Financing of Early Childhood Education and Care	Entry into force of the ECEC funding model				Q1	2023	The Croatian Government shall adopt a model for financing the operating costs of ECEC facilities for municipalities/local government units with less financial capacity, in order to ensure the sustainability of the investment after the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										renovation of existing or construction of new ECEC facilities.
268	C3.1. R1	M	Adoption of the amendments for a full-day teaching model	Entry into force of the amendments adopted to the law regulating primary and secondary education for full-day teaching				Q4	2023	The amendments to the law regulating primary and secondary education shall define the conditions for the introduction of full-day teaching.
269	C3.1. R1	T	Participation in early childhood education and care		% (Percentage)	76,3	90	Q2	2026	Increase in the share of children aged 3 up to school age attending ECEC to 90% shall be visible from official national statistics.
270	C3.1. R1-I1	T	Number of places built in ECEC		Number	0	12 000	Q2	2026	At least 12 000 new places in ECEC shall be created as a result of the infrastructure investments in construction, upgrade and reconstruction of ECEC facilities. The construction and renovation of ECEC facilities shall be based on the results of a needs' analysis which takes into account the school's capacities and demographic developments.
271	C3.1. R1-I2	T	Number of primary school classrooms		Number	0	286	Q2	2026	286 classrooms in primary schools shall be constructed or reconstructed creating

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			constructed or reconstructed							additional capacities. At least 4 new sport halls shall be built. The construction and renovation of primary schools shall be based on the assessment of infrastructure investments needs, taking into account the school's capacities and demographic developments.
396	C3.1. R1-I3	T	Number of secondary education classrooms renovated or built		Number	0	52	Q2	2026	At least 52 classrooms for general secondary education programmes shall be renovated or built. The construction and renovation of schools running secondary education programmes shall be based on the assessment of existing capacities and needs for additional physical infrastructure.
273	C3.1. R2	M	Adoption of the new Act on Scientific Activity and Higher Education	Entry into force of the New Science and Higher Education Act				Q3	2022	The new framework shall enable organisational reform of public universities and scientific institutes and introduce a performance based funding model.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
274	C3.1. R2-I1	T	Digital infrastructure and equipment delivered to public higher education institutions		% (Percentage)	0	90	Q2	2026	At least 90% of public higher institutions shall have benefitted from the passive digital infrastructure upgrade and equipment purchase.

P.3. Description of the reforms and investments for the loan

Investment C3.1 R1-I4 – Construction, upgrading, reconstruction and equipping of primary schools for single shift full-day teaching

The objective of this investment is for all primary school pupils to attend singe shift schools. This investment consists in the construction of new primary schools and the upgrade of existing ones, including sport infrastructures.

P.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
397	C3.1. R1-I4	T	Number of primary school classrooms constructed or reconstructed		Number	286	1318	Q2	2026	At least additional 1032 classrooms in primary schools shall be constructed or renovated to create additional capacities. At least 241 new sport halls shall be built. The construction and renovation of primary schools shall be based on the assessment of infrastructure investments needs, taking into account the school's capacities and demographic developments.

Q. COMPONENT 3.2: BOOSTING RESEARCH AND INNOVATION CAPACITY

The Croatian public research and innovation landscape is highly fragmented. Insufficient investment in research, development and innovation, in particular from the business sector, combined with an inadequate funding and organisational model of universities and scientific institutes, hamper the full potential of the Croatian research sector. As a result, scientific productivity, efficiency and knowledge transfer remain limited. Preconditions for developing human resources in Science, Technology Engineering, and Mathematics (STEM) and Information and Communication Technology (ICT) fields, which would allow for increasing society's readiness for the digital transition, are underdeveloped. The fragmentation and inefficiencies of research, development and innovation policies and the lack of results from research, development and innovation investments are some of the main causes of the hampered productivity and competitiveness growth.

This component aims to address these challenges by pursuing the following objectives:

- Improving the system of institutional funding for universities and scientific institutes to motivate scientific productivity, efficiency and knowledge transfer through direct investment and increased scientific research funding.

- Increased investment in research infrastructure and organisational capacities of universities and scientific institutes, which shall allow for a higher quality of scientific research as well as improving the attractiveness of research careers in Croatia.

- Introducing a new enabling framework for the advancement and career development of researchers, in line with the specificities of scientific fields, attracting and retaining young Croatian scientists and high-quality foreign scientists.

- Introducing a more efficient institutional and programming framework for research and development funding schemes.

The component supports addressing the country specific recommendation on investment-related economic policy on research and innovation (country specific recommendation 3, 2019).

Q.1. Description of the reforms and investments for non-repayable financial support

Reform C3.2 R1 – Reform and strengthening of the research and development capacities of the public research sector

The objective of this reform is to increase the quality and international visibility of public research, strengthen targeted research and the impact of science on the further development of innovation, economy and society through the reorganisation of the public research sector. The reform shall include the following actions:

- Adopting a new model of programme agreements for funding the public scientific research system,

- Increasing the budget of scientific institutions for more impactful research,

- Reducing the fragmentation of the scientific research system through the integration of scientific research institutions with a view of transitioning to a more efficient organisation of universities and research institutes,

- Improving the quality of scientific research work by fostering a transition to a performance-based funding system.

The implementation of the reform shall include the adoption of a new Act on Scientific Activity and Higher Education providing a legal and financial framework for the organisational and functional integration of universities and scientific institutes, as well as a dialogue on institutional objectives and a new results-based funding framework. The new legal and financial framework is expected to lead to more influential publications, more competitive projects, stronger international cooperation, and an increased number of projects in cooperation with businesses.

The reform shall be completed by 30 September 2022.

Investment C3.2 R1-I1 – Development of a system of programme agreements for funding universities and research institutes focused on innovation, research and development

The objective of this investment is to improve the system of funding for the scientific work of universities and scientific institutes with the goal of achieving higher quality and greater relevance of research results.

This investment consists of the delivery of funding to calls for research projects to those public research entities which sign programme agreements.

Reform C3.2 R2 – Creating a framework for attracting students and researchers to STEM and ICT fields

The objective of this reform is to introduce a new enabling framework for the advancement and career development of researchers in STEM and ICT fields in order to increase the number and quality of researchers and professionals in the scientific and business sectors and to enhance the potential for innovation. In the long term, the reform is expected to allow human capital to spill over from scientific institutions to the economy through the transfer of specialised knowledge, advanced technologies, collaboration between academia and business through technology platforms and the development of high-tech start-ups and spin-offs, as well as open research and technology infrastructures.

Scientific careers shall be made more attractive through a clear, transparent and merit-based recruitment policy in the key areas of scientific research. Science careers in STEM and ICT shall be promoted from the earliest levels of education. The legislative framework shall be amended to address the uncompetitive, administratively burdensome recruitment and promotion model in Croatia's scientific research system.

The reform shall be completed by 30 September 2022.

Investment C3.2 R2-I1 – Development of an enabling model for researchers' career progression and conducting cutting-edge scientific research in STEM and ICT fields

The objective of this investment is to develop and introduce a new enabling framework and incentive system for the development of researchers' careers.

The investment consists of calls for research grants to stimulate young researchers, trainesheep programmes and mobility with the business sector.

Investment C3.2 R2-I2 – Investing in research – technology infrastructure in STEM and ICT fields

The objective of this investment is to support the digital transition through investments in key infrastructure projects for applied and targeted research..

The investment consists of construction of six infrastructure projects to directly support research, development and innovation activitities.

Reform C3.2 R3 – Improving the efficiency of public investment in research, development and innovation

The objective of this reform is to implement a more functional and efficient governance model for competitive research and put in place development and innovation schemes enabling a faster, merit-based selection process of research projects.

The reform shall include the adoption of a new Act on the Croatian Science Foundation to strengthen the capacity of the Croatian Science Foundation and reduce the number of institutions currently involved in the management and implementation of research and innovation funding programmes. This new legal framework shall enable to transform and strengthen the Foundation's capacity into a body that, in addition to clearly agreed and defined competences within the framework of inter-institutional coordination within the National Innovation Council, shall ensure a simplified and systematic approach to project funding management.

The reform shall be completed by 30 September 2022.

Investment C3.2 R3-I1 – Introducing a more functional research, development and innovation project funding programming framework

The objective of this measure is to improve the existing system of research, development and innovation (R&D&I) financing and support the development of cutting-edge research and products.

This investment consists of calls for research projects within a pilot funding programme.

Q2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
275	C3.2. R1	M	New Science and Higher Education Act	Entry into force of the New Science and Higher Education Act				Q3	2022	The new legislative act shall create legal and financial conditions for organisational and functional reform of public universities and scientific institutes and funding aimed at achieving institutional development objectives.
276	C3.2. R1-I1	T	Funding allocated to research projects based on internal calls by research organisations during the first two-year cycle of program agreements implementation		Number (Amount)	0	17 619 079	Q1	2023	EUR 17 619 079 shall have been awarded to research projects carried out by universities and research institutes which have signed the programme agreements. The projects shall support direct scientific and research activities (research projects) and be based on published tender specifications, with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
277	C3.2. R1-I1	T	Share of universities or research institutes that have signed programme agreements		% (Percentage)	0	65	Q3	2024	At least 65% of public universities and scientific institutes shall have signed new programme agreements in accordance with the provisions of the new Act on Scientific Activity and Higher Education. that shall introduce a performance-

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										based system of funding targets for public scientific organisations.
278	C3.2. R1-I1	T	Completed research projects, in the 'Green' field, by scientific organisations that have signed new Programme Agreements		Number	0	8	Q1	2026	At least 8 research projects directly supporting the green transition, carried out by scientific organisations which have signed the new Programme Agreements, shall have been completed on the basis of a call for projects based on published tender specifications.
279	C3.2. R1-I1	T	Funding allocated to research projects based on internal calls by research organisations		Number (Amount)	17 619 079	121 109 984	Q1	2026	At least an additional EUR 103 490 905 shall have been awarded to research projects carried out by universities and research institutes which have signed the programme agreements. The projects shall support direct scientific and research activities (research projects) and be based on published tender specifications
280	C3.2. R1-I1	T	Reorganisations of higher education institutions and scientific institutes		Number	0	6	Q4	2025	Based on the model for the reorganisation of higher education institutions and scientific institutes developed by independent external experts and adopted by the Ministry of Science, Education and Youth in dialogue with academia and social partners, at least six (6) reorganisations of higher education institutions and scientific institutes involving at least twelve (12) higher education institutions and scientific institutes shall be finalised.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
281	C3.2. R2	M	New legal framework regulating quality requirements for study programmes, doctoral studies and working conditions for scientific institutions	Entry into force of a new legal framework				Q3	2022	The new legal framework shall provide a basis for a new promotion system based on excellence and better regulation of career development, thus enabling conditions for attracting and retaining quality researchers. The new legal framework shall allow young scientists to thrive on the basis of internationally recognised scientific quality criteria and with less administrative barriers. It shall include flexible working arrangements to promote the recruitment of researchers with care responsibilities. The new legal framework consists of: 1) New Quality Assurance in Science and Higher Education Act 2) Ordinance on the conditions for selection in scientific titles
282	C3.2. R2-I1	T	Grants awarded under the programming framework for increasing availability and employability of graduates in STEM/ICT fields and improving their mobility for national and international cooperation		Number	0	3 354	Q1	2025	At least 3 354 grants shall be awarded by decisions on the financing of projects by the Ministry of Science, Education and Youth, under the new framework of funding research programmes which shall focus on rewarding research excellence, cooperation with industry and international cooperation. The framework shall include grants for: (i) STEM and ICT scholarships; (ii) a Young Researchers Programme; (iii) a Tenure track programme; (iv) a Mobility scheme; (v) Starts up/spin off of young researchers'

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										companies; and (vi) an Entrepreneurship Traineeships Programme.
283	C3.2. R2-I2	T	Infrastructure projects for applied and targeted research		Number	0	6	Q2	2026	Six science-technology infrastructure projects for applied and targeted research in STEM and ICT, supporting digital transformation and involving young researchers, shall be finalised. The infrastructure shall be based on open innovation principles and directly support clean technology areas and the green and digital transitions. At least EUR 3 222 325 shall be provided to three of the six science-technology infrastructure projects, namely: 1) MARBLE Smart Marina 2) MARBLE Smart Mussel Farm 3) MARBLE Autonomous Marine Vehicle Operation site in order to support only and exclusively items as defined in Work package 3: “Infrastructure and equipment” of the MARBLE project. Any amounts provided by other Union programmes or instruments shall not be counted towards this amount. Decisions on financing by the Ministry of Science, Education and youth, along with the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										excerpts from the national accounting system showing earmarked amounts and budget lines, from which it is possible to distinguish sources of funding used for the various parts and activities of each of the 3 projects (MARBLE Smart Marina, MARBLE Smart Mussel Farm, MARBLE Autonomous Marine Vehicle Operation site), shall be provided upon submission of the relevant payment request.
284	C3.2. R3	M	New law on the Croatian Science Foundation	Entry into force of the new Act on the Croatian Science Foundation.				Q3	2022	The new Act on the Croatian Science Foundation shall define a clear mission of the Foundation for Conducting, Coordination, Design, Monitoring and Evaluation of the Programme and Evaluation of R&D project funding programmes and policies, creating a strong and independent system for implementing the selection, funding and monitoring of the effects of R&D project.
285	C3.2. R3-I1	T	Grants awarded under a 'pilot programme' supporting the establishment of a reformed R & D & I framework.		Number	0	300	Q4	2025	Based on advisory assistance from external experts engaged for the establishment of the new R & D & I institutional and programming framework and design of new R & D programmes, at least 300 grants shall have been awarded for projects targeting cooperation between enterprises and research organisations or knowledge and technology transfers under a

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										‘pilot programme’ to support the establishment of a reformed R & D & I framework.

R. COMPONENT 4.1: IMPROVING EMPLOYMENT MEASURES AND THE LEGAL FRAMEWORK FOR A MODERN LABOUR MARKET AND THE ECONOMY OF THE FUTURE

This component of the Croatian recovery and resilience plan addresses labour market issues, namely through modernizing the labour market regulation and developing targeted active labour market policies. The overarching objective of the reforms and investments in this component is to help increase employment in Croatia, which is still well below EU average despite improvements in recent years.

The specific objectives pursued by this component are the following:

- Development and implementation of new active labour market policies supporting job creation in green and digital areas

- Improvements to the system of inclusion and monitoring of vulnerable groups in the labour market

- Introduction of a voucher system for adult education and upskilling, particularly the acquisition of skills related to green and digital technologies

- Improvements to the labour law

This component addresses the country-specific recommendation to strengthen labour market measures and institutions and their coordination with social services (country-specific recommendation 2, 2019), as well as the country-specific recommendation to proote the acquisition of skills (country-specific recommendation 2.4, 2020).

R.1. Description of the reforms and investments for non-repayable financial support

Reform C4.1 R1 – Development and implementation of new targeted active labour market policies for the purposes of green and digital transition of the labour market

The objective of this measure is to adopt new active labour market policies (ALMP) to boost employment and self-employment linked to the green and digital transitions and increase the competitiveness and employability of the labour force in line with labour market needs and with a particular focus on vulnerable groups. This measure consists in adopting new active labour market policies and supporting beneficiaries, including from vulnerable groups.

Reform C4.1 R2 – Strengthening of the system of inclusion and monitoring of vulnerable groups in the labour market through improvements of the employment service processes

The objective of this measure is to strengthen support to unemployed people and vulnerable groups. This measure consists in amending the Labour Market Act, improving CES processes for profiling and activation, and providing support to vulnerable people.

Reform C4.1 R3 – Setting up a voucher system for adult education, training and upskilling

The objective of this reform is to increase employability of workers and better match supply and demand on the labour market by supporting lifelong learning and the acquisition of new skills, particularly green and digital skills.

The reform shall include:

- The adoption of a new Adult Education Act, which shall aim to improve the quality of adult learning through improved accreditation, monitoring and evaluation of adult education institutions, introduction of adult education vouchers and their alignment with the Croatian Qualifications Framework in the adult education system.

- Skills mapping, with a focus on priority skills in the labour market, including skills in shortage, green and digital skills, which will be used to update the skills catalogue and define the skills and related educational programmes to be funded by vouchers.

- Development of an IT tool for a comprehensive assessment of the potential beneficiaries' skills.

- Outreach to vulnerable groups using orientation and counselling to increase their participation in upskilling initiatives, including vouchers.

- Operationalisation of the application for the use of vouchers by beneficiaries, education providers, counsellors and employers.

The reform shall be implemented by 30 June 2025.

Investment C4.1 R3-I1 – Implementation of vouchers for adult education, training and upskilling

The objective of the investment is to fundvouchers for accredited adult education, training and upskilling programmes to acquire the skills needed in the labour market, and particularly in the transition towards a green and digital economy. This measure consists in awarding vouchers for adult education, with a focus on vulnerable groups.

Reform C4.1 R4 – Improvements to the labour legislation

The objective of this reform is to create a clear and modern legislative framework aimed at improving working conditions and work-life balance, better regulating novel forms of work and encouraging the transitions from fixed to open-ended contracts and from undeclared to declared work.

The reform shall include amendments to the Labour Act, namely:

(1) Regulating work carried out from home aimed at ensuring legal certainty for the parties to the employment relationship in exceptional and regular circumstances.

(2) Disincentives to the use of unjustified fixed-term employment contracts, in particular those of extremely short duration and limiting the number of possible successive temporary contracts and preventing abuse of such contracts, in particular as regards recruitment by related employers, and better defining the concept of 'successiveness'.

(3) Strengthening the right to additional work for other employers.

(4) Creating a legal framework that regulates work through online platforms as a specific work form, by laying down the subjective rights and obligations arising from this specific legal relationship – fundamental rights and obligations on the basis of work, compulsory insurance, safety and security, rest periods, termination of contracts, co-decision and association and rights in collective employment relationships.

(5) Revisions of the legal provision on automatic termination of employment at the onset of retirement age and revision of the provision of mandatory severance in cases of employees reaching retirement age, with the aim of incentivising workers to remain active, while avoiding undue burden on employers.

(6) Adequately defining the concept of pay and all of its components, in order to better link it with the minimum wage and facilitate the application of labour regulations and rules on taxation of income from employment.

(7) Defining the coverage of collective agreement rights by better linking it to membership, in order to increase the low participation of workers in trade unions and collective bargaining and thus strengthen social dialogue.

The reform shall amend the Law on compulsory health insurance by transferring the cost of sick leave for active workers that are eligible for old-age retirement to the Croatian Health Insurance Institute.

The reform shall include amendments to existing laws governing employment relations and the adoption of a new law on tackling undeclared work, as well as non-legislative actions to combat undeclared work, namely:

(1) Strengthening the knowledge and competences of stakeholders and the institutions supervising them

(2) Creating common databases for effective enforcement monitoring

(3) Redefining and better harmonising penalties imposed for undeclared work

(4) Increasing public awareness of the benefits of legal work and drawbacks of undeclared work, including through campaigns that will also advertise possibilities of using active labour market measures linked to self-employment, as well as trainings on the different ways to register a business crafts for which public benefits are paid in lump sums in accordance with tax rules.

(5) Establishing electronic records of workers and working time in the construction sector, and then gradually in other activities.

(6) A broader regulation of liability for non-payment of wages in the contractual chain in the event of subcontracting.

(7) Defining undeclared work in all its manifestations, strengthening inspections and penalties applicable to infringements of the provisions and regulating the actions of the authorities involved in the fight against undeclared work.

(8) Defining the process of transitioning from undeclared to declared work, by mandating employers to register an employee retroactively from their first day at work (and a minimum of three months) within three days after the inspection detects undeclared work. In addition, the infringement will carry a penalty in the prescribed amount per undeclared worker and an obligation to pay the worker's salary and contributions and benefits.

The reform shall include amendments to the Minimum Wage Act, namely:

(1) Exclusion of the majority of wage supplements from the amount of the minimum wage and mandating minimum increases for overtime, night work and work on Sundays and holidays.

(2) Ruling out the possibility of renouncing the minimum wage in order to prevent possible abuses by employers.

(3) Strengthening controls by inspection authorities and redefine penalties for non-payment of minimum wages.

(4) Strengthening the role of the Expert Commission for Monitoring and Analysis of Minimum Wage Developments by entrusting it with analyses of the potential impact of minimum wage increases on the economy, employment, standard of living and other segments of life and work, and, accordingly, to recommend guidelines.

The reform shall be completed by 31 December 2024.

R.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
286	C4.1. R1	M	Supplementing active labour market policies	Three new active labour market policy measures adopted				Q1	2022	The Croatian Employment Service shall adopt three new measures to support job creation in the green and digital transitions. The conditions and criteria for the use of funds under these measures, as well as the activities of the Croatian Public Employment Service, shall be designed to prioritise reactivation and (self-) employment of inactive, long-term unemployed and young people not in employment, education or training (NEET).
287	C4.1. R1	T	Number of beneficiaries of the new active labour market policy measures		Number	0	5 000	Q4	2025	At least 5 000 benefit from the new active labour market policies, of which at least 3 200 shall be from vulnerable groups. These new active labour market policy measures shall consist of: - Grant support for employment in jobs related to the green and digital transitions, - Grant support for traineeships related to the green and digital transitions, - Grant support for self-employment related to the green and digital transitions.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
288	C4.1. R2	M	Entry into force of the amendments to the Labour Market Act	Entry into force of the act amending the Labour Market Act				Q3	2024	Entry into force of an amended or new Labour Market Act which increases the amount and prolongs the duration of unemployment benefits, relaxes requirements for vulnerable workers and digitalises the application process for unemployment benefits in line with the analysis carried out.
289	C4.1. R2	M	Improved quality of support for vulnerable groups	Entry into force of a delegated act or adoption of an internal rulebook on enhanced processes for the work of the CES for profiling, segmentation, integration and activation of vulnerable groups				Q4	2024	The new Croatian Public Employment Service processes are operational for profiling, segmentation, integration and activation of vulnerable groups, development of tools for matching unemployed with job vacancies and operationalisation of ALMPs monitoring and evaluation system.
290	C4.1. R2	T	Improved quality of support for at least 5 000 people from vulnerable groups		Number	0	5 000	Q2	2025	Outreach activities towards vulnerable groups shall allow for the inclusion of 5 000 new users.
291	C4.1. R3	M	Developing skills according to market needs	Voucher system in use				Q1	2022	The voucher system is operational and in use to finance participation exclusively in educational programmes developed on the basis of the Croatian Qualifications Framework and implemented through accredited institutions in accordance with the adopted

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										new Adult Education Act. At least 25 educational programmes are involved. The system shall contain a skills catalogue that maps existing and needed skills in the labour market, as well as an IT application for managing and awarding vouchers. The voucher system shall benefit employed and unemployed persons, with a particular focus on vulnerable groups (long-term unemployed, inactive or young NEETs).
292	C4.1. R3-I1	T	Use of education vouchers		Number	0	40 000	Q2	2026	Vouchers awarded to at least 40 000 unique beneficiaries, of which at least 12 000 from vulnerable groups.
293	C4.1. R4	M	Entry into force of the amendments to the Minimum Wage Act	Entry into force of the act amending the Minimum Wage Act				Q4	2021	The new Minimum Wage Act shall exclude the various wage supplements from the minimum wage and mandate minimum increases for overtime, night work, Sundays and public holidays. It shall also prohibit the possibility of renouncing the minimum wage in order to prevent abuse, strengthen the control of inspection bodies and redefine penalties for offenders.
294	C4.1. R4	M	Adoption of the Law on Tackling Undeclared Work and the new Labour Law	Entry into force of the Law on Tackling Undeclared Work and the Act amending the Labour Law				Q4	2022	The amended or new Labour Law shall regulate outplace work and platform work, limit the number of successive temporary contracts, strengthen the right to work for other employers and revise the 65-year retirement clause, change the provisions on financing of sick leave and severance for workers at retirement age, encourage additional employment and part-time employment and include provisions to allow flexibility

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										in working time and place of work and reduce the gender pay gap. The new or amended Law on Tackling Undeclared Work shall define undeclared work and all its manifestations, strengthen inspections and laying down misdemeanour provisions, regulate the process of transferring workers from undeclared to declared work.
295	C4.1. R4	T	Increasing the ratio of the minimum wage to the average gross wage in 2024 to 50%. in		% (Percentage)	46,29	50	Q4	2024	In consultation with the social partners and in cooperation with the Expert Panel on Monitoring and Analysis of Minimum Wage Developments, the minimum wage shall be increased to 50 % of the average wage from the previous year.
296	C4.1. R4	T	Reducing the share of temporary contracts to 17%		% (Percentage)	18,1	17	Q4	2024	Amendments to the Labour Law shall create the conditions for reducing the number of temporary contracts, which is expected to decrease from 18,1% to no more than 17%.

S. COMPONENT 4.2: IMPROVING THE PENSION SYSTEM THROUGH INCREASED PENSION ADEQUACY

This component of the Croatian recovery and resilience plan aims at further strengthening the sustainability of the pension system, namely through incentivising longer working lives, strengthening the second pension pillar and increasing the lowest pensions. The overarching objective of the reform in this component is to improve pension adequacy and sustainability.

S.1. Description of the reforms and investments for non-repayable financial support

Reform C4.2 R1 – Increasing pension adequacy through continued pension reform

The objective of this reform is threefold: i) improving pension adequacy, particularly for beneficiaries with the lowest income, ii) improving sustainability of the pension system through strengthening the second pension pillar and iii) reinvigorating reform efforts in the longer term in a socially inclusive way by forming a Working Group that would involve all key stakeholders and social partners. This measure consists in amending pension laws to raise minimum and survivor's pensions, expand investment options for second-pillar pension funds, and implement further reforms based on the Working Group's recommendations.

S.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
297	C4.2. R1	M	Adoption of amendments to the Pension Insurance Act	Entry into force of the new or amended Pension Insurance Act.				Q1	2023	The amendments to the Pension Insurance Act shall increase the minimum pension and the pension factor used to calculate the amount of the survivor's pension to make it possible to use part of the survivor's pension in addition to a personal pension (old/invalidity) under conditions related to age and income, for lower income pensioners.
298	C4.2. R1	M	Adoption of the Act amending the Compulsory Pension Funds Act	Adoption of the Act amending the Compulsory Pension Funds Act to increase the investment opportunities of compulsory pension funds.				Q1	2025	The scope of eligible investments for second pillar pension funds shall be broadened. An Act amending the Compulsory Pension Funds Act shall be adopted which will further improve the system of individual capitalised retirement savings in the accumulation phase, with a view to improving the business operation of entities in the capitalised system for the benefit of all pension fund members. The Decree to be adopted by the Government will further specify: (i) criteria for classifying an issuer as a designated issuer for financing or securitisation of infrastructure projects in the territory of the Republic of Croatia; (ii) the procedure and content of the application, i.e. the request for classification, and (iii) the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										procedure for assessing and issuing the classification.
299	C4.2. R1	T	An increase of at least 10% in the total pension income for beneficiaries of the redefined form of survivor's pension.		% (Percentage)	0	10	Q4	2024	Modifications to the calculation of the survivor's pension shall result in an increase of the total pension income of at least 10% overall, in relation to 2014 levels, for the beneficiaries of a survivor's pension, and shall introduce the possibility to use a part of the survivor's pension in addition to a personal pension for lower pension beneficiaries (of both old age and invalidity pensions) under conditions related to age and income.
300	C4.2. R1	M	Adoption of amendments to the Pension Insurance Act	The entry into force of the new Pension Insurance Act				Q4	2025	A Working Group shall be set up with the task to analyse the situation of the pension system and discuss further options for improving its adequacy and sustainability. It shall be comprised of social partners, pension associations, academia, specialised consultants and other interested stakeholders. The Conclusions and recommendations of the Working Group shall be taken into account when amending the legislative framework. As a minimum, amendments shall be adopted: (i) to increase the minimum pension from 103 per cent of the Current Value of Pension (AVM) to at least 106 per

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										cent; (ii) to modify the current ratio used for pension indexation between the wage and consumer price indexes from 70:30 to 85:15, assigning greater weight to the index that is more favourable to pensioners; (iii) to introduce an annual pension supplement for all pension beneficiaries.
301	C4.2. R1	T	Increase of the minimum pension by 3%		% (Percentage)	0	3	Q4	2024	An increase in the minimum pension of at least 3% overall in real terms (i.e. in excess of the regular indexation) compared to 2020.

T. COMPONENT 4.3: IMPROVING THE SOCIAL WELFARE SYSTEM

This component of the Croatian recovery and resilience plan addresses challenges concerning social welfare system, both as regards social benefits and social services. The overarching objective of the reforms and investments in this component is to reduce poverty, prevent social exclusion and develop social services tailored for vulnerable groups, thereby building of a more resilient society.

The component shall include the following measures:

- Improving the legislative framework by adoption of the new Social Welfare Act and three strategic documents*;*

- Raising the adequacy and coverage of the Guaranteed Minimum Benefit, the main poverty reducing benefit at the national level;

- Technical and functional consolidation of social benefits, at national and local levels, with the introduction of regular indexation and adaptation of the eligibility criteria;

- Harmonizing the pricing of social services across various existing providers;

- Development of the new social services (social mentorship and family assistants) with aim to prevent institutionalisation and social exclusion;

- Fostering transition to home and community-based long-term care for elderly people by developing non-institutional services, while providing sufficient accommodation capacities exclusively for people in need of long-term care without viable home and community based alternative.

The component addresses the country-specific recommendation to consolidate social benefits and improve their capacity to reduce poverty (country-specific recommendation 2.2, 2019), on the adequacy of unemployment benefits and minimum income schemes improvement (country-specific recommendation 2.2, 2020), as well as on contributing to increasing access to digital infrastructure and services (country-specific recommendation 2.3, 2020), and promotion of the skills acquisition (country-specific recommendation 2.4, 2020).

T.1. Description of the reforms and investments for non-repayable financial support

Reform C4.3 R1 - Transparency and adequacy of social benefits in the social protection system

The objective of this measure is to increase the adequacy of the main social benefits targeted at the most vulnerable groups of society and contribute to the reduction of inequalities, administrative burden and increase the transparency of the system. This measure consists in adopting a National Plan against Poverty, amending the Social Welfare Act, integrating benefits, raising the Guaranteed Minimum Benefit, and expanding support to more beneficiaries.

Investment C4.3 R1-I1 - Improving the digitalisation of the social benefits system between the national and local levels

The objective of this investment is to further develop functional access to all available data on social benefits for each individual beneficiary This measure consists in ensuring that all local and regional authorities have functional access to integrated social benefit data.

Investment C4.3 R1-I2 - Development of a web application on the possibility to receive social benefits at the national level

The objective of this investment is to create a web application accessible to citizens that brings together social benefits in the social protection system at the national level and the conditions for their provision. The conditions for obtaining 12 types of social benefits in a social protection system at the national level shall be available in the application.

The measure shall be completed by 31 December 2024.

Reform C4.3 R2 - Development of social mentoring service

The objective of this reform is to ensure sufficient human capacity to carry out social services, through better cooperation and data sharing, to beneficiaries of guaranteed minimum benefits and disadvantaged groups of beneficiaries. The reform shall introduce a new social mentoring service targeted at individuals at risk or already in a marginalised position in society, which shall be included in the new Social Welfare Act.

Investment C4.3 R2-I1 - Introduction of social mentoring services

The objective of this investment is to make the new social mentoring service available to all potential beneficiaries, in particular beneficiaries of Guaranteed Minimum Benefit, persons with disabilities, victims of violence, the homeless, migrants, Roma and young people departing from the social welfare system, persons serving prison sentences and members of other socially vulnerable groups. This measure consists in employing trained social mentors and establishing a system of individualised support and cooperation between welfare and employment services. OBJ

Reform C4.3 R3 - Developing community-based services to prevent institutionalisation

The objective of this reform is to adopt the National Plan for the Development of Social Services 2021-2027, which shall:

- Identify priorities for the development of social services;

- Review the needs for different forms of social care, both non-institutional and institutional, with particular focus on the long-term unemployed, persons with disabilities, beneficiaries of Guaranteed Minimum Benefits, victims of violence and human trafficking, young people without care, the homeless, migrants, Roma and persons serving prison sentences;

- Lay out a systematic long-term care plan that is tailored to the specific requirements of beneficiaries;

- List objectives and criteria for developing residence services for users who functionally entirely depend on institutional care and whose needs cannot be provided through out-of-institutional services, community and home help services as well as other services that improve the quality of life and allow users to reside longer in their homes and community;

- Adapt services to focus on empowering individuals to influence their social status by moving from exclusion to inclusion and working towards expanding their social network;

- Develop a systematic and integrated long-term care for older people that shall prioritise transition from institutionalised care to home and community-based elderly care;

- Support the development of home services and community-based services for long-term care;

- Ensure availability of institutional services only for those elderly persons who functionally entirely depend on institutional care, and whose needs cannot be provided through out-of-institutional services;

- Plan of semi-residential or residential time of care, with the strong preference for home care services taking into account the availability of services and users' needs.

Furthermore, as part of the reform standards of treatment for Family Assistants shall be developed. The standardisation of professional practices in the implementation of family protection measures shall contribute to improving the protection of children, adults with disabilities and elderly people, equalising quality of the provided service and preventing institutionalisation by providing services directly at the home of users in cooperation with other relevant stakeholders at local level.

The reform shall include amendments to the new Social Welfare Act to:

- Prioritise deinstitutionalisation in long-term care to induce structural changes in this social policy area;

- Enable and promote coordination between social services and ensure a coordinated approach across the wide range of quality services they deliver.

The reform shall be completed by 31 December 2022.

Investment C4.3 R3-I1 - Strengthening the capacity of community service professionals

The objective of this measure is to improve human capacity to deliver social services through educational activities and the recruitment of professionals. The investment shall finance the training and licensing of 750 Advisers on legal family protection measures and 40 Family Assistants. Additionally, a number of 400 professional workers in social care institutions shall be recruited to provide out-of-institutional services. The investment shall contribute to the development and regional accessibility of community-based social services and strengthen professionals' competencies for standardised treatment in family and legal protection work to prevent the institutionalisation of children, young people, and other socially vulnerable groups.

The investment shall be completed by 31 December 2024.

Investment C4.3 R3-I3 - Improving the digitalisation of social welfare system and implementing system on methodology to calculate the prices of social services

The objective of this measure is to develop a new data management solution for social service providers financed by the state budget. The main functionality of the developed data management solution shall be the automated data collection, quality analysis and calculation of social service prices. The investment shall finance software, hardware and educational requirements for enabling full functionality of the solution.

The measure shall be completed by 31 December 2023.

Investment C4.3 R3-I4 - Construction and equipping of centres for the elderly care (home and community based services and institutional services)

The objective of this measure is to construct centres for the elderly to accommodate 800 older adults who functionally entirely depend on institutional care and whose needs cannot be provided through out-of-institutional services. This measure consists in building centres for the elderly and facilities for community-based services.

T.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
302	C4.3. R1	M	Adoption of the National Plan against Poverty and Social Exclusion 2021-2027	Adoption of the National Plan against Poverty and Social Exclusion adopted 2021-2027				Q4	2021	National Plan against Poverty and Social Exclusion adopted 2021-2027, which shall: - Define the target of reducing the at-risk-of-poverty rate to less than 15% from a baseline of 18,3% for 2019 and implementation plan; - Ensure conditions that effectively reduce poverty and social exclusion and improve the daily lives of people at risk of poverty, as well as those experiencing severe material deprivation. - Identify development priorities for the fight against poverty and social exclusion and identifies needs in relation to vulnerable groups in systems.
303	C4.3. R1	M	Adoption of the new Social Welfare Act	Entry into force of the new Social Welfare Act				Q1	2022	The new Social Welfare Act shall introduce the following changes: - Combining existing housing costs and heating allowances into one integrated allowance; - Provision on the Guaranteed Minimum Benefit shall be changed by raising the basic amount to HRK 1 000 and increase for at least 25% for households with children by relaxing the most difficult eligibility criteria, including an increase of the income threshold to HRK 1 000; - Introduction of a new social mentoring service; - Structural changes introduced to long-term care ensuring facilitating deinstitutionalisation and transition

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										to home and community based services; - Provision to mandate the cooperation and regular exchange of information between institutions providing social services and social benefits to ensure a coordinated approach across the range of delivered services.
304	C4.3. R1	T	Beneficiaries of the Guaranteed Minimum Benefit and national compensation for elderly persons		Number	56 905	68 000	Q1	2026	The total number of beneficiaries receiving either the Guaranteed Minimum Benefit or national compensation for elderly persons shall rise to 68 000.
305	C4.3. R1	M	Adoption of a normative rule on functionally integrated social benefits	Entry into force of the Social Welfare Act or Inclusive Supplement Act				Q4	2024	Amendments to the Social Welfare Act or the Inclusive Supplement Acton integrated social benefits which shall: -Amend the Guaranteed Minimum Benefit by increasing the basic amount to EUR 160, via Decision on the basis for calculating the amount of the guaranteed minimum benefit, and at least by 25% for households with children, and ensures the full integration of the Guaranteed Minimum Benefit (GMB) with other social benefits. -Define the (functional) integration of social benefits on the basis of expert analysis; -Strengthen provisions on eligibility for receiving social benefits inter alia through better use of means and income testing; -Include measures and provisions to improve coverage,

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										adequacy and targeting of social benefits, based on expert analysis and with a particular focus on people suffering from persistent poverty; -Contain provisions on the monitoring process and the involvement of relevant stakeholders during implementation; - Introduce indexation as the standard feature of social benefits -Contain provisions on the evaluation and monitoring of social benefits effectiveness and adequacy;
398	C4.3. R1	M	Entry into force of the amendments to the Social Welfare Act and adoption of the Decision on guaranteed minimum benefit	Entry into force of the amended Social Welfare Act and adoption of the decision by the Government				Q4	2023	The amendments to the Social Welfare Act shall: - Abolish the legal provisions mandating the repayment of disbursed Guaranteed Minimum Benefit (GMB) amounts and the imposition of liens on the properties owned by GMB beneficiaries, - Alleviate the administrative burden on GMB beneficiaries by establishing a statutory mechanism for the automatic removal of liens. The government shall adopt a Decision on the basis for calculating the amount of the guaranteed minimum benefit. The decision shall enter into force on 1 January 2024 and raise the base amount to EUR 150.
307	C4.3. R1-I1	T	Local government units data access on social benefits for each individual beneficiary		Percentage	0	1	Q4	2025	All local and regional government units shall have functional access to all available data on social benefits for each individual beneficiary.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
308	C4.3. R1-I2	M	Digital availability of information on social protection benefits at national level	Developed and functional web application to provide information on social benefits with implemented criteria and conditions for obtaining 12 types of social benefits in a social protection system at national level				Q4	2024	On the basis of project file and a technical specification a web application shall be developed and made accessible to all citizens. The application shall provide access to information on all existing social security benefits in the social protection system and the indicative possibility to obtain them at national level. The criteria and conditions for obtaining 12 types of social benefits in a social protection system at national level shall be available in the application.
309	C4.3. R2	T	Training of social mentoring professionals		Number	0	220	Q2	2022	The training of social mentors shall be carried out through 15 modules and shall be completed by 220 professionals. This service shall follow the principles of the social work profession and complement already existing activities of social welfare centres. It shall address the need to cooperate with other community-based social service providers and the need to actively engage the beneficiaries of social welfare systems in overcoming their own social exclusion.
310	C4.3. R2-I1	T	Employment of social mentoring professionals		Number	0	220	Q4	2025	The employment of 220 social mentoring professionals across all 21 Regional Services of the Croatian Institute for Social Work.
312	C4.3. R3	M	Adoption of the National Plan for the Development of Social Services 2021-2027	Adoption of the National Plan for the Development of Social Services 2021-2027				Q3	2021	The National Plan for the Development of Social Services 2021-2027 shall identify priorities for the development of social services and outline the needs of all user groups for different forms of care, both non-institutional and institutional, with a view to achieving a

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										systematic and holistic care plan that is tailored to the needs of users. The plan shall also define and set criteria necessary to develop residence services, home based and community services as well as other services that improve the quality of life and allow users to stay longer in their homes and community. The plan shall also outline the introduction of a social mentoring service, as well as the transition from institutional to home and community-based services in elderly care, which shall: -Support the development of home services and community-based services for long-term care; -Ensure availability of institutional services only for those elderly persons who functionally entirely depend on institutional care, and whose needs cannot be provided through out-of-institutional services; -Introduce planning of semi-residential or residential type of care, with the strong preference for home care services taking into account the availability of services and users' needs.
313	C4.3. R3	M	Adoption of standards of treatment for family assistants	Adoption of standards of treatment for family assistants				Q4	2022	Developed standards to regulate activities of family assistants shall enable the harmonised provision of on-the-spot services in the beneficiary’s home in cooperation with other stakeholders at the local community level.
314	C4.3. R3-I1	T	Strengthening human capacity to deliver		Number	0	400	Q4	2024	The prevention of institutionalisation shall be achieved through the recruitment of new professionals in social service to provide out-of-institutional services and the training and licensing of Advisers on legal family

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			community-based services							protection measures. In particular, continuous and targeted training and licensing of professionals of social welfare institutions for the implementation of legal family protection measures for children (education and licensing for a total of 750 professionals in social service– Advisers on legal family protection measures and training of 30 Family Assistants) shall be carried out. The number of 400 professional workers shall be recruited in social care institutions and social services providers.
316	C4.3. R3-I3	M	IT system calculation of prices for social services and service providers in the network	Developed and functional IT system for calculation of prices for all social services and all service providers in the network	Number	0	1	Q2	2023	Data management IT system developed to automatically collect and analyse data and calculate prices for all types of provided social services and all social service providers in the network. The investment shall finance software, hardware and educational requirements for enabling full functionality of the solution.
317	C4.3. R3-I4	T	Construction of centres for the elderly institutional, home and community care		Number	0	8	Q2	2026	The construction of eight centres for the elderly. with capacity for 800 beneficiaries, exclusively for people who functionally entirely depend on institutional care and whose needs cannot be provided at home or community level. Furthermore, the centres for the elderly shall create conditions to provide community care and out-of-institutional services to older people living at home.

T.3. Description of the reforms and investments for the loan

Investment C4.3 R3-I2 - Improving the digitalisation of social welfare system and connecting social welfare centres with social service providers

The objective of this investment is to upgrade the social care home application that manages and records procedures relating to recognising rights to social services by individual service providers. The investment shall include the integration of the application into the single social welfare IT system providing a single digital platform for monitoring and analysing data on users and welfare services.

The investment shall be completed by 31 December 2024.

T.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
315	C4.3. R3-I2	T	Single Information System (SocSkrb information_system)		Number	0	1	Q4	2024	The objective of this investment is to upgrade the social care application that manages and records procedures relating to recognising rights to social services into a single functional IT system which will involve all stakeholders in the process of recognising rights and providing services to the user, thus it shall allow the monitoring and analysis of data on users and services in the social welfare system, such as information on the available places with service providers and the prices of their services.. The developed software solution shall be integrated into the existing SocSkrb information system used by social welfare centres. Finally, this shall enable the IT connection of all social welfare centres with the social service providers financed by the state budget.

U. COMPONENT 5.1: STRENGTHENING THE RESILIENCE OF THE HEALTH CARE SYSTEM

This component of the Croatian recovery and resilience plan aims to address challenges, aggravated by the COVID-19 pandemic, concerning the resilience and sustainability of the health care system in connection with below EU average life expectancy, weak preventive, chronic and long-term care. The overarching objective of the reforms and investments in this component is to improve the efficiency, quality, accessibility, and financial sustainability of the health system.

The component shall include the following measures:

- Introduction of new care models for patients, with a particular focus on the preventive and chronic care of cancer patients;

- Functional integration of hospitals and the strengthening of day hospitals at secondary and tertiary level (horizontal and vertical);

- Increasing the share of family specialists in the total number of doctors contracted in general and family teams;

- Improving the digitalised system of joint procurement to include county-owned hospitals, with a view to bringing significant savings in the system and improving quality;

- The broad use of a central preparation system in 8 hospitals and the introduction of a unit therapy distribution system in 40 hospitals.

The component shall contribute to addressing the country-specific recommendation on enhancing the resilience of the health system, balanced geographical distribution of health workers and facilities, closer cooperation between all levels of administration and investments in e-health (country-specific recommendation 1.2, 2020), as well as contributing to increasing access to digital infrastructure and services (country-specific recommendation 2.3, 2020), and promotion of the skills acquisition (country-specific recommendation 2.4, 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

U.1. Description of the reforms and investments for non-repayable financial support

Reform C5.1 R1 - Improving the efficiency, quality and accessibility of the health system

The objective of this measure is to increase equal access to primary healthcare, especially in the rural, remote and islands areas, by improving the range and quality of services at the level of family doctors (general practitioners), thus reducing the burden on the hospitals. To better track the health outcomes, the Health System Performance Assessment (HSPA) framework shall be established to contribute to the creation of key performance indicators according to a defined methodology with the intention of linking measures to the objectives set out in the national strategy papers and reforms, improving the timeliness of health data available for strategic and policy analysis.

The reform shall be completed by 31 December 2023.

Investment C5.1 R1-I4 - Digital image diagnostics of Clinical Hospital Centre ‘KBC Split’

The objective of this measure is to upgrade the digital image diagnosis of KBC Split, thus improving healthcare in the field of prevention, treatment and diagnosis of diseases. The investment shall aim to increase the quality and accessibility of healthcare for all categories of patients, improve clinical outcomes, and provide earlier and better-quality diagnostics, especially in paediatric and oncological patients. In particular, it shall digitalise health services and processes, ensure transparency in health service delivery, optimise the use of the resources of the hospital system and ensure future financial stability. The investment shall adapt the space to host the newly acquired medical equipment, including of Magnetic resonance 3T, Neurointervention digital DSA angio-room, Digital diascopic RTG machine and Endoscopic gastroenterological room.

The measure shall be completed by 31 December 2022.

Investment C5.1 R1-I5 - Construction and fitting out of the General Hospital ‘OB Varaždin’ central operating block

The aim of the investment is to optimise the resources of the hospital healthcare system, increase patient safety and provide adequate conditions for the work of healthcare staff. This measure consists of the construction and outfiting of a central operating block and the construction of connecting corridors to existing medical facilities.

Investment C5.1 R1-I6 - Digital image diagnostics Clinical Hospital ‘KB Dubrava’

The objective of this measure is to purchase digital radiological equipment for the KB Dubrava Clinical Institute for Diagnostic and Intervention Radiology that provides service to more than 350 000 patients. Overall, this investment is expected to significantly improve the quality and accessibility of healthcare for all categories of patients, improve diagnosis, treatment and post-treatment monitoring, and thus clinical outcomes for all groups of patients, including for patients requiring most complex treatment in clinics and organisational units of the hospital. As a result, the duration of hospitalisation, complications, hospitalisation in intensive care units, treatment costs and waiting lists are expected to be reduced. The investment shall include purchasing a state-of-the-art equipment.

The measure shall be completed by 30 June 2023.

Investment C5.1 R1-I7 - Equipping new facilities for day hospital and one-day surgery and integrated emergency hospital admission and adaptation of Neurosurgery Clinic at Clinical Hospital Centre ‘KBC Sestre Milosrdnice’

The objective of this measure is to increase the capacity for treating patients by at least 22% compared to the number of patients currently treated. The investment is expected to considerably improve the quality of healthcare for about 700 000 patients treated by KBC, of which about 300 000 represent emergencies and around 40 000 patients are treated in day hospital and surgery. The measure shall equip new facilities for day hospital and one-day surgery and integrated hospital emergency admission and adapt Neurosurgery Clinic in the Clinical Hospital Centre (KBC) Sestre Milosrdnice.

The measure shall be completed by 31 March 2024.

Investment C5.1 R1-I8 - Pre-operational treatment and treatment of patients with pharmacoresistant epilepsy in General Hospital ‘KB Dubrava’

The objective of this measure is the further development of the Institute of Neurology KB Dubrava as well as the pre-operational methods and treatments of epilepsy in pharmaco-resistant patients. The

investment shall include the acquisition of state-of-the-art equipment and the adaptation of spatial capacity.

The measure shall be completed by 30 June 2023.

Investment C5.1 R1-I9 - Development of Clinical Hospital Centre 'KBC Zagreb', Stage III – equipping with medical and non-medical equipment

The objective of this measure is to enable the application of modern technologies and increasing access to care at tertiary and quaternary levels of healthcare. This measure consists of the purchase of the medical and non-medical equipment.in Clinical Hospital Centre (KBC) Zagreb.

Reform C5.1 R2 - Introducing a new care model for key health challenges

The objective of this measure is to improve and harmonise the quality of healthcare services. This measure consists of developing integrated Clinical e-Guidelines.

Investment C5.1 R2-I1 - Purchase of equipment for the prevention, diagnosis and treatment of cancer patients

The objective of this measure is to ensure optimal treatment for all oncological patients in Croatia without delay, using modern radiotherapy techniques.This measure consists of purchase of medical equipment.

Investment C5.1 R2-I2 - Acquisition and implementation of equipment for the establishment of the National Oncological Network and National Oncological Database

The objective of this measure is to create a national network for the National Oncological Database, linking and recording data from hospital information systems and other systems by automatism., This measure consists of establishing an IT platform for monitoring of oncological patients and creation of a national oncological network.

Reform C5.1 R3 - Introducing a system of strategic management of human resources in health

This reform is aimed at increasing access to healthcare for citizens, especially those in rural and less densely populated areas while improving the effectiveness of emergency medicine and ensuring high quality and efficient health system. To achieve this objective specialist training shall be provided for healthcare professionals, notably doctors at the primary healthcare level as well as for the nurses and technicians in the field of emergency medicine, thus achieving a balanced geographical distribution of health professionals and sufficient occupation of the Public Health Service Network. Furthermore the reform envisages adoption of the National Health Development Plan 2021-2027 which shall:

- Define development needs for achieving flexible, efficient and holistically managed healthcare system;

- Indicate measures on successful health promotion and disease prevention;

- Introduce coordination of healthcare providers and the transformation of treatment and rehabilitation models towards active care process management at all stages and levels;

- Define integration of health services and social care and development of integrated long-term care models;

- Introduce measures to control and improve the quality of healthcare and patient safety;

- Improve staff management provisions;

- Introduce specific objectives which indirectly contribute to achieving the strategic objective set out in the National Reform Strategy (NRS) by 2030.

Increase in health years of life expectancy shall be contributed by:

- Promoting healthy lifestyles and disease prevention that are a leading public health problem;

- Improving the quality of healthcare through improved effectiveness, safety, accessibility and functional integration of all levels and parts of health care;

- Introduction of the new care model for key health challenges such as cardiovascular, oncological and rare diseases, and diabetes to prolong length and improve quality of life

- Make the health system a desirable place of employment through strategic governance, thus ensuring the optimal number and distribution of employees in the health system;

- Improving the financing and management model of the health system.

The reform shall be completed by 30 September 2021.

Investment C5.1 R3-I1 - Central funding for specialisations

The objective of this measure is to ensure that all health services are adequately accessible to the public also in view of shortages of doctors. This measure consists of providing specialist training for healthcare professionals, doctors of medicine at the basic primary level of health care, as well as in the field of public health.

Investment C5.1 R3-I2 - Specialist training of nurses and technicians in emergency medicine

The objective of this measure is to enable nurses and technicians in emergency medicine, to work independently in emergency medical services. This measure consists of providing specialist training for nurses and technicians in emergency medicine

Reform C5.1 R4 - Ensuring the financial sustainability of the health system

The objective of this measure is to address the unsustainable rise in arrears, inconsistent procedures and the procurement of costly medicines in the health system, with the aim of achieving a financially sustainable public health system, by conducting a uniform standard of preparation, contracting, and implementing procedures that influence the ways and possibilities of providing healthcare. The reform shall include the revision of the legislative framework consisting of the Health Care Act and Compulsory Health Insurance Act with the following elements:

- Improving the organisation of emergency medicine activities of the Institute for Emergency Medicine and carrying out operational tasks through defined organisational units;

- Reorganisation of the public health service with aim to increase its efficiency, with a particular focus on prevention and early diagnosis, improved response in emergency and special circumstances (pandemics);

- Transferring hospitals management rights from the counties and the City of Zagreb to the Republic of Croatia, in order to achieve efficient and effective use of existing capacities, and improving the availability and quality of healthcare by reorganising the hospital management model;

- Shortening the time on waiting lists for individual medical services, optimisation and better distribution of available healthcare resources from compulsory health insurance to achieve more accessible health services for insured persons;

- Strengthening financial management provisions while guaranteeing financial capital for the purpose of achieving financial stability of the public health system;

- Legislative changes to ensure timely fulfilment of payment obligations of the Croatian Health Insurance Fund (HZZO).

The reform shall achieve following targets:

- Functional integration of at least 8 hospitals shall be completed;
- At least 85% of purchasing categories, representing at least 80% of total government managed hospitals' spending, procured through a joint procurement procedure.

The reform shall be completed by 31 December 2023.

Investment C5.1 R4-I1 - Central preparation of parenteral preparations in 8 Croatian hospitals

The objective of this measure is to lower costs and providing the highest level of safety in the use of parenteral medicines, preventing medication errors, additional days of hospitalisation and reducing the burden on doctors and nurses in the hospital department. This measure consists of implementation of a central preparation system for the parenteral preparations in hospitals.

Investment C5.1 R4-I2 - Introduction of a unit therapy distribution system in 40 Croatian hospitals

The objective of this measure is to contribute to increasing patient safety, preventing medication errors, control of medicines' stocks and increasing patient advocacy, aiming to improve overall treatment outcomes. This measure consists of introduction of a unit therapy distribution system in hospitals.

Investment C5.1 R4-I3 - Digitising the medicine tracking through healthcare institutions at secondary and tertiary levels of healthcare

The objective of this measure is the digitalisation of the drug pathway to enable the Croatian health system to monitor the consumption of medicines.. This measure consists of delivering a functional integrated IT solution for full monitoring of the medicines in the hospital system from the pharmacy to the patient.

Investment C5.1 R4-I4 - Development of a medicines shortages monitoring and prevention system in Croatia

The objective of this measure is to introduce a targeted management of medicine stockpile data that aims to allow for more efficiency in acquiring medicines. The measure shall establish operational precise system for monitoring and analysing the turnover of certain medicines.

Investment C5.1 R4-I5 - Introducing a treatment outcome monitoring system for outpatient care with a focus on chronic patients in public pharmacies

The objective of this measure is to achieve more systematic planning, monitoring and evaluation of the cost-effectiveness of investments in the pharmaco-therapy of non-hospital patients. The measure shall create a monitoring programme for patient outcomes in public pharmacies.

Reform C5.1 R5 – eHealth

The objective of this measure is to improve management capacity through more efficient use of data and encourage innovative health solutions to improve health system management. E-Health reform shall support efforts to ensure that all people have access to the necessary health services (including prevention, treatment, rehabilitation and palliative care) of sufficient quality. The reform shall include the adoption of the national telemedical framework with a view to:

- Extending the scope of telemedical services and ensuring interoperability with the national health information system and suitability for future cross-border exchange;

- The transmission of patient vital parameters from Emergency Health Service (HMS) to Joint Emergency Hospital Service (OHBP) and remote outpatient monitoring.

- Establishing remote Emergency Healthcare Service (HMS) surveillance and an action plan for the introduction of supervision and a framework for monitoring implementation, based on documents Situation Analysis, National framework and Action Plan delivered under the associated Technical Support Instrument.

The national eHealth information management system shall include the following functionalities:

- Regular reporting on population's health as a basis for targeted disease prevention and management activities;

- Build national data analytics capacities, including the integration of healthcare providers and patients interfaces with existing infrastructures and practices;

- Enhance national capacities for the deployment of Artificial Intelligence and high-performance computing, raising the level of e-Health cybersecurity and advanced digital skills for healthcare professionals, as well as patients through advanced technologies, in particular artificial intelligence;

- Enable the development of new health services based on anonymously collected data available in the health system.

Five accompanying investments (C5.1 R5-I1 to I5) shall support the reform.

The reform shall be completed by 31 December 2022.

Investment C5.1 R5-I1 - Digital integration of operating theatres and robotic surgery at KBC Split

The objective of this measure is to allow to comprehensively treat patients with malignant diseases and to integrate healthcare optimisation measures. In this way, the investment is expected to improve health outcomes thanks to introducing a new care model for patients, in particular new state-of-the-art surgical treatments. The investment address the digitalisation of operating theatres and the purchase of equipment for advanced cancer treatment in KBC Split.

The measure shall be completed by 30 June 2024.

Investment C5.1 R5-I2 – TELECORDIS

The objective of this measure is digitising cardiology services that shall enable continuous monitoring of the condition of patients, especially those with chronic cardiac diseases. Rapid and accessible

cardiology diagnostic services at the primary care level are expected to help the timely detection of cardiac health problems of patients, timely and appropriate treatment and continuous monitoring of their state of health. Moreover, the ECG Holter telemedical service shall provide patients in remote and rural areas access to specialist care, thus significantly increasing the availability of specialist health services in local outpatient centres, improving the performance of specialists, improving patient outcomes, reducing waiting lists and the cost of providing healthcare service. The investment shall include the digitisation of diagnostic processes and shall enable sharing the data with dispersed specialist centres.

The measure shall be completed by 31 March 2023.

Investment C5.1 R5-I3 – Tele-transfusion

The objective of this measure is digitising the transfusion service and ensuring the availability of an on-call transfusion specialist for all hospital healthcare establishments with transfusion units, contributing to a strong development of the telemedicine service through the digital transmission of medical data and strengthen the interconnection of all hospital establishments with transfusion units.

The measure shall be completed by 31 December 2022.

Investment C5.1 R5-I4 – Digitalisation and integration of operating rooms equipped with robotic surgery in Clinical Hospital Centre 'KBC Sestre Milosrdnice'

The objective of this measure is the digitalisation of operating theatres and the purchase of advanced treatment equipment for new modern surgical treatments. Digitalisation and integration of operating rooms shall change the planning, documentation, storage and sharing of data on patients and types and methods of operational treatment. Robot surgery shall improve the quality of surgical treatment, increase patient safety, achieve more transparency in treatment, better cost control and health outcomes, strengthen and consolidate essential health information infrastructure resources, introduce a paperless health services system and contribute to the digital transition.

The measure shall be completed by 31 March 2024.

Investment C5.1 R5-I5 – Digitalisation and equipping of Clinical Hospital 'KB Merkur' diagnostic units

The objective of this measure is to digitise and equip diagnostic units, to facilitate the monitoring of diagnostic development procedures and to provide the improved quality service to patients. The investment shall include the purchase of the state-of the-art devices.

The measure shall be completed by 31 March 2023.

U.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
318	C5.1. R1	M	Adoption of the Health System Performance Assessment Framework (HSPA)	Entry into force of the Health System Performance Assessment Framework				Q3	2022	The Health System Performance Assessment (HSPA), shall establish a health performance measurement framework, set-out of key performance indicators according to a defined assessment methodology, linked to the process of linking measures to the objectives set out in the national strategy papers and reforms, the timeliness of the data, and to improve the monitoring of health outcomes.
319	C5.1. R1	T	Optimising time for diagnostic treatment – waiting lists		Number of days	400	270	Q4	2023	Waiting time period for patients on diagnostic treatment shall be reduced to 270 days from the current waiting list time frame of 400 days.
323	C5.1. R1-I4	M	Modernisation of health services in Clinical Hospital Centre KBC Split	Purchased equipment for the Clinical Institute for Diagnostic and Intervention Radiology KBC Split				Q4	2022	Installing of equipment for the Clinical Institute for Diagnostic and Intervention Radiology and at the Clinical Nuclear Medicine Institute and construction and equipment of a hybrid endoscopic room at the Gastroenterology Institute, to allow for the introduction of new diagnostic and therapeutic procedures in Clinical Hospital Centre KBC Split. The installed equipment shall be at least magnetic resonance 3T, neurointervention digital DSA angio room, digital diascopic X-

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										ray machine, endoscopic gastroenterological room.
324	C5.1. R1-I5	T	Central Operating Block building with accompanying contents of Varaždin General Hospital		Number	0	1	Q4	2025	Construction and equipping of the Central Operating Block (COB) building with intensive care units (JIL), central sterilisation, RTG diagnostics, transfusions and medical-biochemical laboratories, and construction of connecting corridors to existing medical facilities.
325	C5.1. R1-I6	T	Diagnostic medical devices in Clinical Hospital (KB) Dubrava		Number	0	8	Q2	2023	Purchase and installation of eight diagnostic medical devices and Digital radiological equipment for the Clinical Institute for Diagnostic and Intervention Radiology. All devices are planned to be gradually installed while all shall be operational at the latest by 30 June 2023.
326	C5.1. R1-I7	T	New facilities at the Clinical Hospital Centre (KBC) Sestre Milosrdnice		Number	0	2	Q1	2024	The Clinical Hospital Centre (KBC) Sestre Milosrdnice shall be equipped with integrated emergency hospital admission facilities, day hospital and one-day surgery facilities with medical, non-medical equipment and furniture.
327	C5.1. R1-I8	T	Medical devices for Operational treatment and treatment of patients with pharmaco-resistant epilepsy in		Number	0	10	Q2	2023	For the purpose of further development of the Institute of Neurology at Clinical Hospital (KB) Dubrava ten medical equipment (devices) shall be installed and made operational by 30 June 2023 at the latest. The

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			Clinical Hospital (KB) Dubrava							investment shall include the acquisition of equipment such as SEEG 256 canal recording devices, digital EMNG and EP 12 channel imaging device. Radio Frequency (RF) thermocoagulation device and adaptation of adequate spatial capacity.
328	C5.1. R1-I9	M	Development Project of Clinical Hospital Centre (KBC) Zagreb	Purchased equipment for Clinical Hospital Centre (KBC) Zagreb				Q1	2026	The purchase of new medical and non-medical equipment for Clinical Hospital Centre (KBC) Zagreb. .
329	C5.1. R2	M	Improving and harmonising the quality of healthcare by developing Clinical e-Guidelines	Clinical guidelines developed and integrated in e-Guidelines in the Croatian health system by Ministry of Health (MIZ).				Q3	2025	Ministry of Health (MIZ) shall develop and integrate in the Croatian health system clinical guidelines as well as e-Guidelines harmonising the quality of healthcare.
331	C5.1. R2-I1	T	Improving the quality of oncology radiotherapy		Number	0	6	Q4	2025	Six hospitals shall be equipped with medical devices for prevention, diagnosis, and treatment of cancer. The investment shall entail construction of eight bunkers for linear siting accelerators), radiotherapy equipment, 17 VMAT linear accelerators, four linear SBRT accelerators, four HDR brachytherapy, nine CT simulators, radiotherapy network equipment, dosimetry equipment, fixation equipment.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
332	C5.1. R2-I2	T	Single IT platform to connect, monitor and optimally treat oncological patients		Number	0	1	Q4	2025	The uniform IT platform shall allow collecting health data, planning organisational and structural changes, identifying risks . All oncology institutions in Croatia shall be included in the national oncological network.
333	C5.1. R3	M	National Health Development Plan 2021-2027	Adoption of the National Health Development Plan 2021-2027				Q3	2021	National Health Development Plan 2021-2027 as an umbrella sectoral planning act shall set out specific objectives, measures, projects and activities to be implemented under the auspices of the Ministry of Health (MIZ) with the primary objective of improving the health system and the health outcomes. The National Health Development Plan shall be consistent with the Croatian Government's Reform Programme, and the European Commission's Cohesion Policy Guidelines for 2021-2027. The National Health Development Plan shall define medium-term development needs by: - Defining development needs for achieving flexible, efficient and holistically managed healthcare system; - Indicating measures on successful health promotion and disease prevention; -Introducing coordination of healthcare providers and the transformation of treatment and rehabilitation models towards active care process management at all stages and levels; -Defining integration of health services and social care and development of integrated

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										long-term care models; -Introducing measures to control and improve the quality of healthcare and patient safety; -Improving staff management provisions. -Introducing specific objectives which indirectly contribute to achieving the strategic objective set out in the National Reform Strategy (NRS) by 2030. Increase in health years of life expectancy shall be contributed by: -Promoting healthy lifestyles and disease prevention that are a leading public health problem; -Improving the quality of healthcare through improved effectiveness, safety, accessibility and functional integration of all levels and parts of health care; -Introduction of the new care model for key health challenges such as cardiovascular, oncological and rare diseases, and diabetes to prolong length and improve quality of life -Make the health system a desirable place of employment through strategic governance, thus ensuring the optimal number and distribution of employees in the health system; - Improving the financing and management model of the health system. In order to achieve the specific objectives, measures and actions to be implemented shall be defined. The outcome indicators for each of

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										the specific objectives and result indicators shall be defined for each of the actions. The National Health Development Plan shall include the results of the mapping of health and social care needs in the area of long-term care. The document itself uses inputs from other national acts and programmes (National Strategic Framework against Cancer to 2030, National Plan for the Development of Clinical Hospitals, Clinical Hospitals, Clinics and General Hospitals in Croatia, National Cancer, Diabetes, Rare Diseases) and Recommendations (CSRs) for Croatia for 2019 and 2020.
399	C5.1. R3-I1	M	Creation of a centralised financing system dedicated to specialist medical training	Adoption of the decision by the Government				Q4	2023	The institutionalisation of financial support for medical specialisations shall be effectuated through the establishment of a centralised financing system dedicated to specialist medical training, primarily aimed at addressing deficiencies in specific medical specialties, including but not limited to primary healthcare and public health. The allocation of financial resources for this purpose shall be exclusively designated to meet the exigencies of the Public Health Service Network. This system shall be constructed to guarantee the reclamation of funds from incomplete specialist medical training programs, directing

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										them towards the predefined objectives of the centralised financing system for specialist medical training, with a specific focus on rectifying shortages in deficient medical specialists.
334	C5.1. R3-I1	T	Specialist medical training at the primary basic level of health care		Number	0	467	Q1	2026	Contracts for specialist medical training shall be concluded, covering at least 467 health workers, including medical doctors specialising in primary healthcare, emergency medicine, and public health. These contracts shall be financed using funds allocated from the centralised financing system established for specialist medical training.
335	C5.1. R3-I2	T	Bachelors of nursing specialist training in emergency medicine		Number	0	375	Q2	2026	A total of 375 bachelors of nursing/medical technicians shall be trained in one-year specialist training in emergency medicine.
336	C5.1. R4	M	Amendment of the Health Care Act and Compulsory Health Insurance Act	Entry into force of the Acts Amending the Health Care Act and the Compulsory Health Insurance Act				Q4	2022	The amendments to the Health Care Act shall allow the new Joint Procurement Decision to be binding also on those health institutions whose participation has so far been voluntary and shall consequently increase the number of stakeholders covered by the joint procurement. -The Single Office for Emergency Medicine improves the organisation of emergency medicine activities and carries out operational tasks throughout the territory of the Republic of Croatia through certain organisational units;

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										-The reorganisation of the public health service shall contribute to increasing efficiency and strengthen the public health system, with a particular focus on prevention and early diagnosis, improved response in emergency and special circumstances (pandemics); -Transferring the management rights of the hospitals currently managed by the counties and the City of Zagreb to the Republic of Croatia in order to achieve rational and quality use of existing capacities, improve the availability and quality of healthcare by reorganising the hospital management model. The amendments to the Compulsory Health Insurance Act shall establish a clear and transparent criteria for determining the programme of health care measures under compulsory health insurance, the bodies that shall establish and adopt a programme of measures and the scope of health care to be covered by compulsory health insurance and compliance with other legislation. The Act shall aims at: -Making healthcare more accessible and timely for insured persons when they need it; -Reduction of waiting lists for individual medical services, optimisation and, in this connection, better distribution of available

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										healthcare resources from compulsory health insurance -Provide finance for the purpose of achieving financial stability, its sustainability and, in this connection, improving the situation of insured persons in the exercise of statutory health insurance; -Insert provision to favour the contracting entities of the HZZO as healthcare providers from compulsory health insurance, as regards the payment of the HZZO's obligations towards them within the time limits prescribed by law, in order to guarantee the right to health care for insured persons.
337	C5.1. R4	T	Functional integration of hospitals		Number	12	20	Q4	2023	Functional integration of at least 8 hospitals shall be completed, to rationalise the hospital system through reduction/redistribution of activities and reduction of acute stationary capacity, strengthening day-to-day hospitals as more cost-effective treatments.
338	C5.1. R4	T	Joint procurement procedure for health institutions		% (Percentage)	0	85	Q4	2023	At least 85% of purchasing categories, representing at least 80% of total government managed hospitals' spending, shall be procured through a joint procurement procedure. To achieve the target, based on an amendment of the decision on the mandatory joint conduct of a specific procurement procedure for health institutions – the Ministry

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										of Health (MIZ) shall: i) decide to exercise a joint procurement procedure; ii) conclude agreements with joint procurement stakeholders; iii) set up expert panels to draw up technical specifications for the categories concerned; and iv) implement the procurement categories referred to in the decision on the mandatory joint implementation of a specific procurement procedure for health institutions – after entry into force of technical specifications. Joint procurement procedures shall be conducted in accordance with the Act on Public Procurement and framework agreements/contracts conclusion.
339	C5.1. R4-I1	T	Central management of parenteral preparations in 8 hospitals		% (Percentage)	0	75	Q2	2025	At least 75% of parenteral preparations in eight Croatian hospitals shall be carried out through central preparation of medicines.
340	C5.1. R4-I2	T	Unit therapy system for solid forms of medicines in 40 Croatian hospitals		Number	0	40	Q4	2025	Installed unit therapy system in 40 Croatian hospitals.
341	C5.1. R4-I3	T	Monitoring of the medicines in the hospital system from		Number	0	30	Q2	2026	At least 30 hospitals shall have a functional integrated IT solution for monitoring of the medicines in the hospital system from the pharmacy to the patient.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			the pharmacy to the patient							
342	C5.1. R4-I4	T	System to monitor shortages of medicinal products based on “blockchain” technology		Number	0	1	Q2	2025	A software solution shall be developed to monitor shortages of medicines in Croatia and develop an integrated model for anticipating and preventing shortages of medicines. Medicines shall be monitored through the blockchain software solution.
343	C5.1. R5-I5	T	Diagnostic units Clinical Hospital Centre (KBC) Merkur		Number	0	4	Q1	2023	To improve the quality of the service, increase the number of patient treatments, speed up and increase the availability and quality of healthcare for all categories of patients the equipment shall be installed for at least 4 diagnostic units at Clinical Hospital Centre (KBC) Merkur. The installed equipment shall consist of: -Apparatus for transthoracic and transesogastric echocardiography; -Three monitors for coronary unit purposes; -System for telemetry of patients in the open ward; -Stronger power ultrasound; -Lower power ultrasound; -Magnetic resonance MR 3T; -Mammography scanner; -Multi-slice computer tomography (MSCT); -Ultrasound; -Ultrasound with 3D/4D convex, 3D/4D

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										vaginal, 2 D vaginal and 2D convex probe and printer; -Ultrasound High Class Color Doppler.
344	C5.1. R4-I5	T	Monitoring the treatment outcomes of non-hospital chronic patients in public pharmacies		Number	0	1	Q4	2025	The project entailsmonitoring patients and creating structured data that shall be made available through Central Health Information System of the Republic of Croatia (CEZIH).
346	C5.1. R5	M	Improvement and extension of telemedical services	Entry into force of a national telemedical framework extending the scope of telemedical services				Q4	2022	The reform shall introduce provisions for the establishment of a functional national telemedical framework for the transmission of patient vital parameters from Emergency Health Service (HMS) to Joint Emergency Hospital Service (OHBP) and remote monitoring of outpatient Emergency Health Service (HMS). The project shall deliver: i). Situational analysis; ii) National framework for establishing remote Emergency Health Service (HMS) surveillance and iii) An action plan for the introduction of supervision and a framework for monitoring implementation. Given the limited resources and duration of technical assistance, the teleradiology component shall only be an introductory component at the level of best practice mapping.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
347	C5.1. R5-I1	T	Digitised, integrated operating halls (Firule and Križine) and robotic system at the Firule site installed and functional		Number	0	4	Q2	2024	The project includes digitisation and integration of 4 operating theatres in Firule and Križine, as well as a robotic system at the Firule site. The digital transition, integration and robot surgery shall change the treatment pathway by improving the quality of surgical treatment, improving patient safety, achieving greater transparency in treatment, better controlling costs and health outcomes, reinforcing and consolidating key health information infrastructure resources and modernising paperless healthcare services.
348	C5.1. R5-I2	T	Telecardiological services		Number	0	40	Q1	2023	The objective of the TeleCordis project is to install the medical and computer equipment necessary for the performance of electrocardiogram (ECG) holter, pressure holter and 12 channel electrocardiogram (ECG) services in remote and rural areas which are insufficiently covered by those services, such as not having a cardiology specialist at their disposal. The equipment shall be purchased (package per centre) and placed in at least 40 telemedical access centres. The programme shall connect with telemedical specialist centres and provides a telecardiology service.
349	C5.1. R5-I3	T	Teletransfusion services		Number	0	35	Q4	2022	The Teletransfusion project shall support the existing digital treatment process

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										infrastructure where it uses the patient data obtained from the ePrescription and eDossier needed to start treatment in a secondary or tertiary healthcare facility. The project shall connect hospital transfusion centres in Croatia's territory (at least 35 hospital transfusion centres) and shall make the service available 24 hours a day seven days a week. The equipment shall be purchased (package per centre) and placed in telemedical access centres, the programme shall connect with telemedical specialist centres and provides a teletransfusion service.
350	C5.1. R5-I4	T	Operating theatres Clinical Hospital Centre (KBC) Sestre milosrdnice equipped with robotic surgery		Number	0	4	Q1	2024	At least 4 newly equipped operating rooms with state-of-the-art robot technology, The following functionality shall be possible: obtaining all data about the patient in real time on the monitor's screen in the operating room itself during the operation. Furthermore, it shall be possible to have all patient imaging material available on the monitor's screen during the operation contributing to safer and more effective procedures. Integration shall also allow the use of other diagnostic and therapeutic devices in the same operating theatre, which shall also be integrated into the integrated operating room system.

U.3. Description of the reforms and investments for the loan

Investment C5.1 R1-I1 - Introduction of mobile pharmacies into primary care

The objective of this investment is to supply medication in areas which have no pharmacies .The measure consists of procuring mobile pharmacies.

Investment C5.1 R1-I2 – Mobile outpatient care units

The objective of this measure is to set up a mobile primary outpatient care system in rural, remote and island areas. The measure consists of the setting up of the mobile clinic system.

Investment C5.1 R1-I3 - Construction and equipping of clinical insulation units (3, 4 and 1/5 of buildings) Infectious Disease Clinic 'Dr Fran Mihaljević'

The objective of this measure is to achieve treatment of infectious diseases using up-to-date and innovative technologies aiming to reduce treatment time, cost and provision of high-quality care to patients.This measure consists of construction of buildings and equipment replacement for the Infectious Disease Clinic Dr Fran Mihaljević.

U.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
320	C5.1. R1-I1	T	Access to pharmacy care and medicines		Number	0	8	Q2	2025	At least six mobile caravan pharmacies and at least two boat pharmacies shall be procured.
321	C5.1. R1-I2	T	Provision of mobile outpatient primary healthcare		Number	0	33	Q4	2025	A mobile clinic system shall be set up with 33 primary care outpatient vehicle in rural, remote and island areas. The investment shall include mapping the required capacities to reach the target of 80% mobile primary outpatient care service coverage of rural, remote and islands areas. In addition, a contracting model to ensure the long-term financial sustainability of the service shall be established The Ministry of Health shall administer the training to raise the capacity of mobile teams in providing outpatient primary health care.
322	C5.1. R1-I3	T	New building in the complex of the Infectious Disease Clinic Dr Fran Mihaljević		Number	0	1	Q1	2026	The project shall consist of the demolition of the existing buildings (3, 4 and 1/5) and the construction of a new building as part of the complex. The project shall include equipment replacement for the Infectious Disease Clinic ‘Dr Fran Mihaljević.

V. INITIATIVE 6.1: RENOVATION OF BUILDINGS

Croatia's current building stock is relatively old and the rate of energy renovation of buildings was only 0,7% per year in 2014-2020. Old and inefficient buildings are responsible for 40% of energy consumption and 36% of CO2 emissions, and as many as 30% of buildings fall under the worst performing category. Most of the worst performing buildings do not meet the minimum requirements of protection against earthquakes, fire protection or health protection and therefore require a comprehensive renovation. In addition, in March and December 2020, two series of earthquakes hit Croatia and caused major material damage in the city of Zagreb, Zagreb County, Krapina-Zagorje County, Sisak-Moslavina County and Karlovac County. According to the Rapid damage needs assessment (Government of the Republic of Croatia, 2020), total reconstruction and recovery needs in the City of Zagreb, Zagreb and Krapina-Zagorje counties from the March earthquake have been assessed at around EUR 17 469 000 000. The assessment of the damages from the December earthquake are still being evaluated.

This initiative in the Croatian recovery and resilience plan concerns investments and reforms aiming to encourage comprehensive renovation of buildings, including energy renovation, structural reinforcement and post-earthquake renovation. Renovation shall cover multi-dwelling and public buildings, including health and educational facilities, as well as buildings with the status of a cultural good.

The initiative includes reforms that shall support the process of renovation and decarbonisation of buildings, while addressing barriers in the construction market and social issues: i) a reform aimed at decarbonisation of buildings, ii) a reform aiming at increasing the number of workers and experts in energy efficiency and post-earthquake reconstruction iii) a reform aiming at reducing the administrative burden for the applicants in the renovation process, iv) a reform aiming at increasing knowledge of seismic activities, v) a reform aiming at promotion and development of green infrastructure and circular management of buildings and spaces and, vi) a reform aiming at developing systematic energy management and testing a new energy-efficiency financing model.

The investments and reforms shall contribute to the country-specific recommendations addressed to Croatia in the past two years, on the need to "focus investment-related policy on […] energy efficiency, […] and environmental infrastructure (country-specific recommendation 3, 2019) and "to focus investment on the green and […] transition, in particular on environmental infrastructure […] (country-specific recommendation 3, 2020).

V.1. Description of the reforms and investments for non-repayable financial support

Reform C6.1 R1 – Decarbonisation of buildings

The reform shall contribute to the renovation wave initiative of the existing buildings and to the transformation of the existing building stock into a highly energy efficient and decarbonised building stock by 2050.

The reform shall include the adoption of energy efficiency renovation programmes for the period 2021-2030 for multi-dwelling buildings, public buildings and a special category of buildings with a status of the cultural good, as well as the adoption of the energy poverty reduction programme in areas of special state concern for 2021-2025. These programmes shall encourage in-depth renovation of buildings while paying particular attention to ensuring healthy indoor climate conditions, fire safety and addressing the risks related to increased seismic activity as well as reducing energy poverty.

The reform shall be completed by 31 March 2022.

Investment C6.1 R1-I1 – Energy renovation of buildings

The objective of the measure is to reduce energy consumption for heating and increase primary energy savings in multi-dwelling and public sector buildings. This measure consists of energy renovation of public and multi-dwelling buildings.

Investment C6.1 R1-I3 – Energy renovation of buildings with the status of a cultural good

The objective of the measure is to renovate buildings with the status of a cultural good to lower energy consumption. This measure consists of renovating two categories of buildings: individually protected cultural goods and buildings located within the protected cultural and historical entities.

Reform C6.1 R2 – Developing a framework for ensuring adequate skills in the context of green jobs needed for post-earthquake reconstruction

The objective of the measure is to address the shortage of qualified workforce in construction by providing education programs. This measure consists of publishing the National plan for the development of green skills, providing adult education programmes on energy renovation and a new master programme on sustainable and seismic resilient building.

Reform C6.1 R3 – Increasing efficiency, reduction of administrative burden and digitalisation of the renovation process

The objective of the measure is to provide services for citizens to reduce the administrative burden in the energy and post-earthquake renovation process. This measure consists of developing one stop shop services and strengthening professional capacities of public employees.

Reform C6.1 R4 – Modernisation and integration of seismic data for the renovation process and planning of future construction and monitoring of public infrastructure

The objective of the measure is to improve risk resilience in spatial planning and the construction sector by enhancing the collection and processing of seismic data. This measure consists of strengthening the capacities needed to gather and apply seismic data for spatial planning and safer construction practices.

Investment C6.1 R4-I1 – Seismological data network development

The objective of the measure is to strengthen capacities for seismic monitoring and analysis. This measure consists of acquiring seismic equipment and training experts operating the equipment and processing the data.

Reform C6.1 R5 – Introduction of a new model of green urban renewal strategies and implementation of a pilot project for the development of green infrastructure and the circular management of buildings and space

The objective of the measure is to establish a framework for green urban renewal that promotes sustainable development. This measure consists of adopting programs on circular management of space and buildings and on urban green infrastructure, adopting green urban renewal strategies, and implementing a pilot project.

Reform C6.1 R6 – Pilot project for the establishment and implementation of systematic management of energy and the development of a new financing model

The objective of the measure is to develop and test a model for monitoring energy consumption in multi-dwelling buildings. This measure consists of implementing a pilot project on establishing automatic data collection for monitoring energy and water consumption in multi-dwelling buildings.

V.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
351	C6.1. R1	M	Adoption of national energy renovation programmes for (i) multi-dwelling buildings,(ii) for buildings that have the status of a cultural good (both for the period 2021-30), and for (iii) energy poverty reduction in areas of special state concern (for the period 2021-25)	Publication on the official website of the Ministry of Physical Planning, Construction and State Assets				Q4	2021	Publication of the programmes to encourage in-depth renovation of buildings, high-efficiency alternative systems and which shall pay particular attention to ensuring healthy indoor climate conditions, fire safety and risks related to increased seismic activity. A specific category of energy renovation of buildings with the status of a cultural asset that has not yet been included in energy renovation programmes for EU co-financing in Croatia shall be introduced. Publication of the energy poverty reduction programme in areas of special state concern, for the period 2021-2025, covering comprehensive renovation of buildings in assisted and special government care areas, capacity building to alleviate energy poverty, reduce end-use energy consumption and consequently reduce CO2 emissions from energy poor or vulnerable households.
352	C6.1. R1	M	Adoption of the Programme for the Energy renovation of public sector buildings for the period 2021-2030	Publication on the official website of the Ministry of Physical Planning, Construction and State Assets				Q1	2022	Publication of the programme for the energy renovation of public sector buildings for the period 2021-2030, which includes a comprehensive renovation of public sector buildings including energy and resource efficiency measures while reducing the thermal needs and energy consumption of public buildings

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										and increasing the use of RES and the consequent reduction of CO2 emissions.
353	C6.1. R1-I1	T	Contracts signed for the energy renovation of public and multi-dwelling buildings		EUR	0	66 361 404	Q4	2022	Contracts signed providing EUR 66 361 404 for energy renovation of buildings. All contracts to state the relevant energy efficiency requirement of a minimum reduction of energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (expect for building with a status of a cultural good), which shall deliver an increase of 30% primary energy savings compared to pre-renovation state and respecting the "do no significant harm principle" as set out in Article 17 of Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investment.
354	C6.1. R1-I1	T	Energy renovation of multi-dwelling buildings		Number (m2)	0	241 850	Q2	2026	Energy renovation of at least 241 850 m2 of multi-dwelling buildings, achieving a minimum requirement of reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for the buildings with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the level of the target compared to the pre-renovation state, and be in line with the DNSH principle.. The cost of installing gas-

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
355	C6.1. R1-I1	T	Energy renovation of public buildings		Number (m2)	0	372 219	Q2	2026	Energy renovation of at least 372 219 m2 of public buildings, achieving a minimum requirement of reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for the buildings with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the level of the target compared to the pre-renovation state, and be in line with the DNSH principle. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
358	C6.1. R1-I3	T	Energy renovation of buildings with the status of a cultural good		Number (m2)	0	31 000	Q2	2026	Energy renovation of at least 31 000 m2 of buildings with the status of a cultural good, achieving an increase of 30% primary energy savings on the level of the target, with a minimum requirement of 20% for each building, compared to the pre-renovation state.

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										Renovation of these buildings shall be financed at a rate of 100% and shall be in line with the DNSH principle. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
359	C6.1. R2	M	Publication of the National Skills Development Plan in the context of green jobs related to energy efficiency and post-earthquake reconstruction	Publication on the official website of the Ministry of Physical Planning, Construction and State Assets				Q4	2022	The publication of the National Skills Development Plan that shall improve the skills of green jobs in the context of energy renovation, post-earthquake renovation, green infrastructure, application of nature-based solutions and circular management of space and building, based on a review of existing programmes and preparation and adaptation of educational programmes defined by the reform.
360	C6.1. R2	M	Training certification	List of issued certificates provided by the education institution				Q2	2026	Proof of completion of adult education programmes in post-earthquake and energy renovation by 500 participants shall be provided by the education institution(s).
401	C6.1. R2	M	Enrollment into the new master programme offered	A call for applications for admission to the new master programme published				Q2	2026	A call for applications for admission to the new master programme covering renovation and energy efficiency topics shall be published.

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
362	C6.1. R3	M	A physical one-stop-shop office for energy renovation and seismic reinforcement set up and operational	One-stop-shop operational				Q4	2021	The physical one-stop-shop office shall be developed and made operational in the earthquake-affected area to reduce the administrative burden for citizens. The investment shall include the adaptation and modernisation of the physical infrastructure at a location where one-stop shop shall be established, investments in online system development and maintenance services, investments in the functionality of the online system, training of staff, training of public authorities involved and promotion activities.
363	C6.1. R3	M	On-line one-stop-shop for energy renovation and seismic reinforcement set up and operational	On-line one-stop-shop operational				Q4	2022	Putting into operation of an on-line one-stop-shop system bringing together all the necessary information for energy renovation and post-earthquake reconstruction. The one-stop-shop shall be implemented in two phases: (i) emergency services necessary for the urgent structural renovation and necessary restoration of damage in order to ensure a level of safety for citizens and facilities; (ii) integrating all other services and information needed for comprehensive and energy renovation with the services and information included for the 'build back better' concept.

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
364	C6.1. R3	T	Completed training for public employees for providing one-stop-shop services		Number	0	80	Q2	2026	At least 80 public employees trained to provide services combining energy efficiency and post-earthquake reconstruction.
365	C6.1. R4	M	Integration of seismic data	Seismic data integrated in expert bases for spatial plans of local government units				Q2	2025	Seismic data shall be integrated into the spatial planning system and applied to 10 pilot databases for local government spatial plans.
366	C6.1. R4-I1	T	Seismic equipment units procured		Number	0	300	Q4	2022	The investment shall strengthen the organisational and infrastructure capacity of the Seismological Survey of the Republic of Croatia through the purchase of at least 300 equipment units in order to increase the quality of the collection, processing and application of the seismic data needed for the renovation process of buildings, planning for the development of new facilities and monitoring of public infrastructure, as well as strengthening Croatia's resilience to earthquakes and associated risks.
367	C6.1. R4-I1	M	Training for Seismological Survey employees	Training delivered				Q2	2026	Training on operating the equipment and processing data shall be delivered for the employees of the Seismological Survey of the Republic of Croatia.

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
368	C6.1. R5	M	Adoption of the Circular Management of Space and Buildings Development Programme for the period 2021-2030 and of the Urban Green Infrastructure Development Programme for the period 2021-2030	Publication on the official website of the Ministry of Physical Planning, Construction and State Assets				Q4	2021	The Circular Management of Space and Buildings Development Programme for the period from 2021 to 2030, to be adopted by the government, shall set out objectives and measures for circular management of space and buildings that inter alia encourage circularity measures in the planning of new buildings, the re-use of abandoned buildings and the extension of the durability of existing spaces and buildings, increasing the energy and resource efficiency of buildings and the use of renewable energy sources, the reuse of construction products and materials, for the purpose of efficient use of spatial resources and reducing the generation of building waste in line with the updated Waste Management Plan, as a basis for the development of green urban renewal strategies; The Urban Green Infrastructure Development Programme for the period 2021-2030, to be adopted by the government, shall elaborates the objectives and measures that contribute to climate change mitigation and the reduction of the effects of heat islands, the reduction of greenhouse gas emissions, improvement of the quality of life and housing in cities, improvement of human health, improvement of the quality of urban areas by transforming under-used and abandoned lands, encouragement of green investments, the support

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										of the restoration and conservation of species and habitats under the Species and Habitats directives in line with the EU Biodiversity Strategy for 2030 and the creation of new jobs and the delivery of energy savings, which shall be the basis for the development of green urban renewal strategies.
369	C6.1. R5	T	The adoption of green urban renewal strategies		Number	0	10	Q4	2023	Adoption of at least 10 green urban renewal strategies to provide the basis for the development of sustainable space, with a focus on developing green urban infrastructure and integrating nature-based solutions, integrating models for circular management of space and buildings, strengthening resilience against risks and climate change, and supporting the overall sustainable development.
370	C6.1. R5	T	Finalisation of a pilot project identified through green urban renewal strategies		Number	0	1	Q2	2026	At least one pilot project identified through green urban renewal strategies shall be finalised.
371	C6.1. R6	M	Successfully completed systematic energy management pilot project with the aim to test a new energy	Publication of a completed pilot project on the official website of the Ministry of Physical Planning, Construction and State				Q4	2023	Following a public call, the Ministry of Physical Planning, Construction and State Assets in cooperation with Croatian Government Real Estate Agency shall implement a pilot project covering all energy and water consumption sectors in the pilot local government unit by setting up automatic data collection on energy and

No.	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			efficiency renovation financing model	Assets						water consumption in multi-dwelling buildings in the selected pilot area. The objective of the pilot project is to achieve energy and water savings by setting up and implementing systematic energy management and allow for the testing the implementation possibilities of the new financing model for energy renovation of multi-dwelling buildings, including a cost-benefit analysis for its application at the national level. On the basis of the pilot project guidelines on the application of the energy consumption management for multi-dwelling buildings model at national level shall be developed.

V.3. Description of the reforms and investments for the loan

Reform C6.1 R7 – Circular use of construction waste from buildings with the status of a cultural good: a pilot project exploring exchange and trade possibilities

The objective of the measure is to examine possibilities for the circular use of construction waste from buildings with the status of a cultural good. This measure consists of implementing pilot projects and adopting national guidelines on circular use of construction waste from the buildings with a status of a cultural good.

Investment C6.1 R1 – I4 Energy renovation of buildings with the status of a cultural good

The objective of this measure is to increase the ambition of the existing measure C6.1 R1-I3 Energy renovation of buildings with the status of a culturral good. The Guidelines for the energy renovation of buildings with the status of a cultural good shall be prepared and published on the official website of the Ministry of Culture and Media. The guidelines shall provide recommendations on energy renovation measures, technical solutions, and modern materials, and clarify procedures for preparing the documentation and obtaining the necessary permits.

The implementation of the measure shall be completed by 31 December 2023.

V.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
402	C6.1. R7	M	Signed agreements on pilot projects implementation	Signed agreements for the implementation of pilot projects				Q3	2024	Agreements for the implementation of pilot projects shall be signed with the local self-government units.
403	C6.1. R7	T	Pilot projects completed	Completion of pilot projects with equipped and operational infrastructure sites.	Number	0	2	Q1	2026	Pilot projects shall be completed in two selected local government units, focusing on reusing construction waste from cultural heritage buildings. Two facilities for construction waste management shall be equipped and put in operation. Projects shall be implemented in line with the DNSH principles. In case of vehicle acquisition support shall be provided exclusively for zero-emission vehicles and/or plug-in hybrids emitting less than 50g CO2/km or special purpose vehicles based on best available technologies in accordance with public procurement rules. An inventory of selected buildings with the status of a cultural good shall be prepared for both local government units.
404	C6.1. R7	M	National guidelines on circular use of construction waste from the buildings with a status of a cultural good	National guidelines on circular use of the construction waste form the buildings with a status of a cultural good published				Q1	2026	Guidelines on circular use of construction waste from buildings with the status of a cultural good shall be published. A digital platform on the inventory of buildings with the status of a cultural good shall be set up.
405	C6.1. R1 – I4	M	Guidelines for the energy renovation of buildings with the status of a cultural good	Publication on the official website of the Ministry of Culture and Media				Q4	2023	Guidelines for the energy renovation of buildings with the status of a cultural good shall be prepared and published on the official website of the Ministry of Culture and Media. The guidelines shall provide recommendations on energy renovation measures, technical solutions, and modern materials, and clarify

										procedures for preparing the documentation and obtaining the necessary permits.

W. COMPONENT 7.1: ENERGY AND SUSTAINABLE TRANSPORT (REPowerEU COMPONENT)

The main objective of this component is to reduce the dependence on fossil fuels, in particular from Russia, and accelerate the green transition across the economy. This is planned to be achieved with measures related to energy networks, liquefied natural gas and gas infrastructure, uptake of renewable energy sources, zero-emission transport, and renewable hydrogen. The mentioned measures are intended to help improve security of supply and diversification of Union's supply for gas, reduce the dependency on fossil fuels by increasing the production and uptake of renewables such as sustainable biomethane, renewable hydrogen and geothermal, increase the share and accelerate the deployment of renewable energy, contribute to increasing energy security and address bottlenecks in electricity distribution, and support zero-emission transport.

Of the nine measures under this component, eight have a cross-border or multi-country dimension. The largest investments with a cross-border or multi-country dimension concern increasing the capacity of the LNG terminal on the island of Krk and strengthening the gas infrastructure, as well as strengthening the transmission and distribution capacities of the electricity network. Other notable investments with cross-border or multi-country dimension relate to increased uptake of renewables, such as renewable hydrogen, sustainable biomethane and geothermal energy, as well as the investments in alternative-fuel-powered vehicles for public urban and suburban regular transport and development of alternative fuel infrastructures in road transport.

The investments and reforms shall contribute to addressing the country specific recommendations addressed to Croatia on the need to upgrade electricity transmission and distribution grids (CSRs 2022.3.3 and 2023.3.4), to increase the deployment and uptake of renewable energy sources (CSRs 2019.3.3, 2020.3.8, 2022.3.2, 2023.3.1 and 3.2), to diversify fossil fuel imports (CSR 2022.3.1), and reduce dependency on fossil fuels in transport and promoting zero-emission transport (CSRs 2019.3.3, 2020.3.7, 2022.3.5, 2023.3.1 and 3.6).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the 'Do no significant harm' Technical Guidance (C(2023) 6454 final), whereas the principle of "do no significant harm" does not apply to the investment C7.1 I3 - Increasing the capacity of the LNG terminal on the island of Krk and strengthening the gas infrastructure, in accordance with Article 21c(6) of Regulation (EU) 2021/241.

W.1. Description of the reforms and investments for non-repayable financial support

Reform C7.1 R1 - Scaled-up measure: Decarbonisation of the energy sector

The objective of this measure is to scale up the Reform C1.2 R1: Decarbonisation of the energy sector under Component 1.2 (Energy transition for a sustainable economy).
The measure consists in a new system of self-consumption for energy production facilities in self-supply.

Investment C7.1 R1-I1 - Hydrogen use and new technologies (investment C1.2.R1-I3 transferred from the already adopted Council implementing decision)

The objective of this investment is to increase the use of hydrogen in Croatia.

The investment consists in financing of a renewable hydrogen project, hydrogen charging stations, and studies on Carbon Geological Storage.

Investment C7.1 R1-I2 - Establishment of a hydrogen-based economy

The objective of the investment is to increase the uptake of production of, and utilisation of renewable hydrogen.
The investment consists in designating the Croatian Hydrocarbon Agency as the hydrogen coordinating body in Croatia, and accepting the Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 by the Croatian Hydrocarbon Agency.

Investment C7.1 R1-I3 - Strengthening the use of renewable energy sources in transport and heating

The objective of the investment is to increase the uptake of renewable energy sources.

The investments consists in geothermal drilling works conducted, and the adoption of the Geothermal Potential Development Plan.

Investment C7.1 I1 - Scaled-up measure: Procurement of alternative-fuel-powered vehicles for public urban and suburban regular transport

The objective of this measure is to scale up the Investment C1.4 R4-I1: Procurement of alternative-fuel-powered vehicles for public urban and suburban regular transport under Component 1.4 (Development of a competitive, energy sustainable and efficient transport system).

The investment consists of the procurement of alternative-fuel powered buses (electric and/or hydrogen) and hydrogen energy unit for powering electric locomotives.

Investment C7.1 I2 - Scaled-up measure: Co-financing programme for the purchase of new alternative fuel vehicles and the development of alternative fuel infrastructures in road transport

The objective of this measure is to scale up the Investment C1.4 R5-I3: Co-financing programme for the purchase of new alternative fuel vehicles and the development of alternative fuel infrastructures in road transport under Component 1.4 (Development of a competitive, energy sustainable and efficient transport system).

The investment consists of construction and co-financing of fast electric charging points.

W.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
406	C7.1. R1	M	Entry into force of legislation setting up the new system of self-consumption	Provision in a legal act setting up the new system of self-consumption, indicating its entry into force				Q1	2025	The new system of self-consumption for energy production facilities in self-supply shall be established and shall be applicable as of 1 January 2026. The new system of self-consumption shall ensure equal treatment among all customers in terms of access to the distribution network and network fees. The new system shall redesign the way of calculating the remuneration for the self-produced electricity injected into the grid; all charges and fees, including network tariffs, must be cost-reflective, proportionate and non-discriminatory. At the same time, the new system shall create incentives for consumers to become self-consumers, as well as for self-consumption. Charges and fees shall not be imposed on self-produced electricity that remains on the premises of the self-consumer.
51	C7.1. R1-I1	M	Financing of a renewable hydrogen project	Grant award for a renewable hydrogen project, delivery of the electrolyser, signed contract for the installation of electrolyser and the installation of a photovoltaic power plant				Q4	2025	Grant awarded in the amount of EUR 15.78 million for financing of an integrated renewable hydrogen project, which includes the delivery on site of the electrolyser with capacity of at least 10 MW of renewable hydrogen, signed contract for the installation of electrolyser, and the installation of a photovoltaic power plant. The project shall comply with the conditions

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										under the Renewable Energy Directive (EU) 2018/2001, and the relevant Delegated Acts (EU) 2023/1185 and (EU) 2023/1184.
52	C7.1. R1-I1	M	Public tender launched for additional hydrogen capacity	Public tender launched for additional hydrogen capacity				Q2	2026	Public tender launched for construction of installation that shall install 20MW of renewable hydrogen power production capacity, by electrolysis.
53	C7.1. R1-I1	T	At least 2 hydrogen charging stations have been built		Number	0	2	Q2	2026	At least 2 hydrogen charging stations shall be built. Bottlers shall be based on at least 100 kg of hydrogen, with potential to increase capacity if needed.
54	C7.1. R1-I1	M	Studies on Carbon Geological Storage	Publication of the technical summaries of the studies on Carbon Geological Storage				Q2	2026	Publication of a set of technical summaries of the studies that shall address potential for geological CO2 underground storage in Croatia (onshore and offshore). The studies shall include mapping of geological structures acceptable for the permanent disposal of carbon dioxide, and an integrated feasiblity study on the permanent disposal of carbon dioxide at the Bockovci site.
407	C7.1. R1-I2	M	Hydrogen coordinating body	Provision in a legal act indicating its entry into force				Q1	2024	A legal act designating the Croatian Hydrocarbon Agency as the hydrogen coordinating body in Croatia shall enter into force.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
408	C7.1. R1-I2	M	Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050	Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 accepted by the Croatian Hydrocarbon Agency				Q1	2025	Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 shall analyse the most appropriate use of hydrogen in the decarbonization of the Croatian economy, focusing on the use of hydrogen for the decarbonization of sectors that are difficult to electrify, such as industry (high-temperature processes), heavy-duty vehicles, maritime and rail transport, before considering other sectors.
412	C7.1. R1-I3	M	Geothermal Potential Development Plan	Adoption and publication of the Geothermal Potential Development Plan by the Ministry of Economy and Sustainable Development				Q1	2024	The Geothermal Potential Development Plan shall be adopted and published. The Plan shall determine areas in the Republic of Croatia where geothermal potential is planned to be explored, developed, and exploited.
413	C7.1. R1-I3	T	Geothermal drilling works conducted		Number	0	2	Q2	2026	Drilling of two exploration geothermal wells on selected location shall be conducted. The drilling shall not include any exploration or extraction of oil or gas. There shall be no equipment purchased or used for such purposes It shall be ensured, that methane releases are minimised and remain well below the threshold of 20,000 tonnes CO2eq/year. It shall also be ensured, that the geothermal drilling has no harmful impact on water

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										scarcity and water quality. This measure shall not support district heating systems using fossil energy sources or any investments in installations falling within the scope of the EU Emission Trading System (ETS).
414	C7.1. I1	M	103 alternative-fuel powered buses (electric and/or hydrogen)	103 alternative-fuel powered buses (electric and/or hydrogen) provisionally accepted				Q2	2026	Proof of provisional technical acceptance following their construction for 103 new alternatively powered buses (electric and/or hydrogen powered) shall be delivered.
415	C7.1. I1	T	One hydrogen energy unit for powering electric locomotives located in a separate wagon (HERMES)		Number	0	1	Q2	2026	One hydrogen energy unit for powering electric locomotives located in a separate wagon (HERMES) shall be installed.
125	C7.1. I2	M	1 300 fast electric charging points	1 300 fast electric charging points co-financed and constructed				Q2	2026	Proof of co-financing and construction of 1 300 charging points with a minimum charging capacity of 50kW shall be delivered.

W.3. Description of the reforms and investments for the loan

Investment C7.1 R1-I4 - Strengthening the use of renewable energy sources in transport and heating

The objective of the investment is to increase the uptake of renewable energy sources.

The investment consists of the construction of Charging infrastructure for electric buses.

Investment C7.1 R1-I5 - Use of biofuels in transport (investment C1.2.R1-I4 transferred from the already adopted Council implementing decision)

The objective of this investment is to increase the share of renewables in transport.

The investment consists of the adoption of the plan for the production and use of biofuels in transport.

Investment C7.1 R1-I6 - Strengthening the transmission and distribution capacities of the electricity network

The objective of this investment is to support electrification and decarbonisation of the energy sector.

The investment consists in replacement of old electricity transformers and reconstruction of electrical substations.

Investment C7.1 I3 - Increasing the capacity of the LNG terminal on the island of Krk and strengthening the gas infrastructure

The objective of the investment is to increase diversification of Union's supply of gas and to increase the security of supply of gas to Croatia's neighbouring Member States.

The investment consists in expanding the capacity of the LNG terminal on the island of Krk, the expansion of the pipeline Zlobin – Bosiljevo, expansion of the pipeline Bosiljevo - Sisak – Kozarac, as well as expansion of the section Lučko – Zabok of the Croatia – Slovenia interconnector.

W.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
418	C7.1. R1-I4	M	Charging infrastructure for electric buses	Charging infrastructure for electric buses constructed				Q2	2026	Proof of construction of at least 150 charging stations for electric buses shall be delivered.
55	C7.1. R1-I5	M	Plan for the production and use of biofuels in transport adopted	Entry into force of the Plan and programme for the production and use of biofuels in transport				Q4	2023	The Plan for the production and use of biofuels in transport shall enter into force. The plan shall set out a policy to promote the production and use of advanced biofuels in transport in the Republic of Croatia. The plan shall include an ongoing review and assessment of the state of the biofuel market, new business models, stakeholders, measures to promote increased production and use of advanced biofuels in transport.
419	C7.1. R1-I6	T	Replacement of electricity transformers		Number	0	8	Q2	2026	At least eight old electricity transformers in high voltage power transmission system (110kv/220kv/400kv) shall be replaced.
420	C7.1. R1-I6	T	Reconstruction of electrical substations		Number	0	2	Q2	2026	At least two electrical substations on high voltage power transmission system (110kv/220kv/400kv) shall be reconstructed.
421	C7.1. I3	M	Contract for equipment for the expansion of the LNG terminal on the island of Krk	Contract for equipment signed				Q4	2023	Contract for equipment for the expansion of the Krk LNG terminal with the aim of expanding the capacity to 700 000 m3 per hour (m3/h) shall be signed.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
422	C7.1 I3	T	Expansion of the LNG terminal on the island of Krk operational		m3 per hour	450 000	700 000	Q3	2025	The expansion of the LNG terminal on the island of Krk shall be operational with an increased gasification capacity of 700 000 m3/h. The capacity of the LNG terminal on the island of Krk shall increase from the current 450 000 m3/h to 700 000 m3/h.
423	C7.1 I3	M	Contract for works for the expansion of the Zlobin – Bosiljevo gas pipeline	Contract for works signed				Q3	2023	Contract for works shall be signed for the expansion of the Zlobin – Bosiljevo gas pipeline.
424	C7.1 I3	T	Construction of the expanded Zlobin – Bosiljevo gas pipeline		km	0	58	Q2	2025	Expanded Zlobin – Bosiljevo gas pipeline, with length of 58 km, shall be built.
425	C7.1 I3	M	Tender for procurement of pipes for the expansion of Bosiljevo - Sisak – Kozarac gas pipeline	Tender for procurement of pipes launched				Q1	2024	Tender for procurement of pipes shall be launched for the expansion of the Bosiljevo - Sisak – Kozarac gas pipeline.
426	C7.1 I3	T	Construction of the expanded Bosiljevo - Sisak – Kozarac gas pipeline		km	0	122	Q2	2026	Expanded Bosiljevo - Sisak – Kozarac gas pipeline, with length of 122 km, shall be built, increasing gas transport capacity towards Hungary to 400 000 m3/h.
427	C7.1 I3	M	Tender for procurement of pipes for the expansion of section Lučko – Zabok of the Croatia – Slovenia interconnector	Tender for procurement of pipes launched				Q1	2024	Tender for procurement of pipes shall be launched for the expansion of the section Lučko – Zabok of the Croatia – Slovenia interconnector.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
428	C7.1 I3	T	Construction of the expanded section Lučko – Zabok of the Croatia – Slovenia interconnector		km	0	36	Q2	2026	Expanded section Lučko – Zabok of the Croatia – Slovenia gas interconnector, with length of 36 km, shall be built, increasing gas transport capacity towards Slovenia to 170 000 m3/h.

X. COMPONENT 7.2: ENERGY RENOVATION OF BUILDINGS (REPowerEU CHAPTER)

The main objective of this component is to reduce the dependence on fossil fuels and accelerate the green transition across the economy. This is planned to be achieved with measures related to renovation of buildings, tackling energy poverty, and enhancing green skills. The mentioned measures are intended to help boost energy efficiency in buildings, reduce the dependency on fossil fuels, address energy poverty, contribute to increasing energy security, and support requalification of the workforce towards green skills.

Of the five measures under this component, two have a cross-border or multi-country dimension, namely the investments in energy renovation of buildings and renovation of buildings damaged in earthquakes with energy renovation.
The investments and reforms shall contribute to addressing the country specific recommendations addressed to Croatia on the need to reduce energy demand by improving energy efficiency, mainly in residential buildings (CSRs 2019.3.3, 2022.3.4, 2023.3.1. and 3.5), the need for policy efforts aimed at the provision and acquisition of the skills needed for the green transition (CSR 2023.3.7), and to increase the deployment and uptake of renewable energy sources (CSRs 2019.3.3, 2020.3.8, 2022.3.2, 2023.3.1 and 3.2).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the 'Do no significant harm' Technical Guidance (C(2023) 6454 final).

X.1. Description of the reforms and investments for non-repayable financial support

Reform C7.2 R1 - Scaled-up measure: Increasing efficiency, reduction of administrative burden and digitalisation of the renovation process

The objective of the measure is to scale up the Reform C6.1.R3: Increasing efficiency, reduction of administrative burden and digitalisation of the renovation process under the initiative 6.1: Renovation of buildings. The scaled-up part of the measure consists of organizing participatory workshops, preparing a programme and guide for local self-government units, and publishing educational materials.

Reform C7.2 R2 - Scaled-up measure: Introduction of a new model of green urban renewal strategies and implementation of a pilot project for the development of green infrastructure and the circular management of buildings and space

The objective of the measure is to scale up the Reform C6.1.R5: Introduction of a new model of green urban renewal strategies and implementation of a pilot project for the development of green infrastructure and the circular management of buildings and space under the initiative 6.1: Renovation of buildings. The scaled-up part of the measure consists of adopting additional green urban renewal strategies and implementating additional pilot projects.

Investment C7.2 I3 Renovation of buildings damaged in earthquakes with energy renovation

The objective of the measure is to repair the damages caused by the 2020 earthquakes to public buildings, to increase the seismic resilience of buildings and to increase their energy efficiency. The investment consists of energy renovation of public buildings damaged in earthquakes.

The renovation of buildings to their original state before damage shall be financed by the EU Solidarity Fund, where applicable, while the difference to full renovation, including the increase in the energy efficiency of buildings and increasing their seismic resilience ('build back better' principle), shall be financed by this investment.

X.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
429	C7.2 R1	T	Participatory workshops conducted		Number	0	6	Q3	2025	At least six participatory workshops on the development of energy renovation and green infrastructure shall be conducted in different self-government units. A programme and a guide on conducting participatory workshops for the representatives of the local self-government units shall be prepared. Educational materials from the workshops shall be made available to the public at least on the one-stop-shop portal.
430	C7.2 R2	T	Adoption of green urban renewal strategies		Number	10	70	Q3	2025	At least 60 green urban renewal strategies shall be adopted.
431	C7.2 R2	T	Finalisation of pilot projects identified through the green urban renewal strategies		Number	0	15	Q2	2026	At least 15 pilot projects identified through the green urban renewal strategies shall be finalised.
448	C7.2 I3	T	Energy and post-earthquake renovation of public buildings damaged by the earthquakes		Number (m2)	0	22 178	Q2	2026	Energy and post-earthquake renovation of at least 22178 m2 of public buildings damaged by the earthquakes (in one or more of the following areas: the City of Zagreb, Krapina-Zagorje County, Zagreb County, Sisak-Moslavina County, Karlovac County, Varaždin County, Međimurje County, Brod-Posavina County, Koprivnica-Križevci

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										County and Bjelovar-Bilogora County), achieving a minimum requirement of reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for buildings with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the the level of the target compared to the pre-renovation state and be in line with the DNSH principle. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.

X.3. Description of the reforms and investments for the loan

Reform C7.2 R3 – Scaled-up measure: Introduction of a new model of green urban renewal strategies and implementation of a pilot project for the development of green infrastructure and the circular management of buildings and space

The objective of the measure is to scale up the Reform C6.1.R5: Introduction of a new model of green urban renewal strategies and implementation of a pilot project for the development of green infrastructure and the circular management of buildings and space under the initiative 6.1 Renovation of buildings. The scaled-up part of the measure consists of implementing additional pilot projects.

Reform C7.2 R4 – Introduction of a new modelof adult learning programmes aimed at developing green skills and competences in the construction sector, including modules to support the integration of third country workers

The objective of the measure is to establish a framework for strengthening skills of the third country workers in the construction sector. The measure consists of developing an adult education programme for the workers from third countries on energy efficiency building technologies, , developing Croatian language module in the construction profession and an intercultural module. .

Investment C7.2 I1 – Scaled-up measure: Energy renovation of buildings

The objective of the measure is to scale up the Investment C6.1 R1-I1: Energy renovation of buildings under the initiative 6.1: Renovation of buildings. The scaled-up part of the measure consists of increasing the number of renovated square meters of public and multi-dwelling buildings and installing renewable energy systems in public buildings renovated through this investment..

Investment C7.2 I2 – Renovation of buildings damaged in earthquakes with energy renovation

The objective of the measure is to repair the damages caused by the 2020 earthquakes to multi-apartment and public buildings, to increase the seismic resilience of buildings and to increase their energy efficiency. The investment consists of energy renovation of public and multi-dwelling buildings damaged in earthquakes and installing renewable energy systems in public buildings renovated through this investment.

The renovation of buildings to their original state before damage shall be financed by the EU Solidarity Fund, where applicable, while the difference to full renovation, including the increase in the energy efficiency of buildings and increasing their seismic resilience (‘build back better’ principle), shall be financed by this investment.

X.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
432	C7.2 R3	T	Finalisation of pilot projects identified through the green urban renewal strategies		Number	0	4	Q2	2026	At least four pilot projects identified through the green urban renewal strategies shall be finalised.
433	C7.2 R4	M	Education program for workers from third countries	Education program covering renovation topics designed				Q1	2025	An adult education programme covering renovation topicsshall be designed.
435	C7.2 I1	T	Energy renovation of multi-dwelling buildings		Number (m2)	0	361 431	Q2	2026	Energy renovation of at least 361 431 m2 of multi-dwelling buildings, achieving a minimum requirement of reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for the building with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the level of the target compared to the pre-renovation state and be in line with the DNSH principle. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
436	C7.2 I1	T	Energy renovation of public buildings		Number (m2)	0	365 517	Q2	2026	Energy renovation of at least 365 517 m2 of public buildings, achieving a minimum requirement of

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for the buildings with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the level of the target compared to the pre-renovation state, and be in line with the DNSH principle.. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
437	C7.2 I1	T	Installing renewable energy systems in public buildings		Number	0	60	Q2	2026	At least 60 renewable energy systems shall be installed in public buildings renovated under this investment.
438	C7.2 I2	T	Contracts signed for the energy renovation of multi-dwelling buildings damaged by the earthquakes		EUR	0	13 000 000	Q2	2024	Contracts signed awarding at least EUR 13 million for the energy renovation of multi-dwelling buildings damaged by the earthquakes. All contracts shall require (i) at least a minimum reduction of energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for the buildings with a status of a cultural good), which shall contribute to delivering an increase of at least 30% in primary energy savings compared to pre renovation state and (ii) compliance with the 'do no significant harm' principle as set out in Article 17 of the

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investment.
356	C7.2 I2	T	Energy and post-earthquake renovation of multi-dwelling buildings damaged by the earthquakes		Number (m2)	0	78 350	Q2	2026	Energy and post-earthquake renovation of at least 78 350 m2 of multi-dwelling buildings damaged by the earthquakes (in one of the following areas: the City of Zagreb, Krapina-Zagorje County, Zagreb County, Sisak-Moslavina County, Karlovac County, Varaždin County, Međimurje County, Brod-Posavina County, Koprivnica-Križevci County and Bjelovar-Bilogora County), achieving a minimum requirement of reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for buildings with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the level of the targetcompared to the pre-renovation state, and be in line with the DNSH principle.. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
357	C7.2 I2	T	Energy and post-earthquake renovation of public buildings damaged by the earthquakes		Number (m2)	0	574 317	Q2	2026	Energy and post-earthquake renovation of at least 574 317 m2 of public buildings damaged by the earthquakes (in one or more of the following areas: the City of Zagreb, Krapina-Zagorje County, Zagreb County, Sisak-Moslavina County, Karlovac

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										County, Varaždin County, Međimurje County, Brod-Posavina County, Koprivnica-Križevci County and Bjelovar-Bilogora County), achieving a minimum requirement of reducing energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for buildings with a status of a cultural good), which shall deliver an increase of 30% primary energy savings on the the level of the target compared to the pre-renovation state and be in line with the DNSH principle. The cost of installing gas-condensing boilers replacing the existing gas, coal and oil-based boilers shall represent at most 20% of the renovation cost.
439	C7.2 I2	T	Installing renewable energy systems in public buildings damaged by the earthquakes		Number	0	50	Q2	2026	At least 50 renewable energy systems shall be installed in public buildings renovated under this investment.

4. Estimated total cost of the recovery and resilience plan

The estimated total costs of the recovery and resilience plan of Croatia is EUR 10 040 701 600.

The estimated total costs of the REPowerEU chapter is EUR 2 721 804 579. In particular, the estimated total costs of the measures referred to in Article 21c(3), point (a) of Regulation (EU) 2023/435 is EUR 559 000 000 whilst the costs of the other measures in the REPowerEU chapter is EUR 2 162 804 579.

SECTION 2: FINANCIAL SUPPORT

1. Financial contribution

The instalments referred to in Article 2(2) shall be organised in the following manner:

1. First Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
45	C1.2. R1-I2	M	The adoption by the Government of an Energy Efficiency Programme for decarbonising the energy sector
46	C1.2. R1-I2	T	Number of companies receiving support for energy efficiency and renewable energy use in industry
49	C1.2. R1-I3	M	Entry into force of the Alternative Transport Fuels Act
59	C1.3. R1	M	Adoption of the Multiannual Water and Urban Wastewater Treatment Construction Programme
81	C1.3. R2	M	Adoption of the Waste Management Act
82	C1.3. R2	M	Revision of the Waste Management Plan of the Republic of Croatia for the period 2017-2022
91	C1.4. R1	M	The amendments to the Roads Act
92	C1.4. R1	M	The National Road Safety Program 2021-2030
98	C1.4. R2	M	Adoption of the Sectoral Policy Letter
109	C1.4. R3	M	The new Regular and Seasonal Coastal Traffic Act
110	C1.4. R3	M	The new Inland Navigation and Ports Act
126	C1.5. R1	M	The Operational Programme for strengthening the market capacity of the fruit and vegetables sector for the period 2021-2026
134	C1.5. R3	M	Establishment of a Unit for Implementation and Management of Digital Transformation Projects in the Ministry of Agriculture
140	C1.6. R1	M	Scenario analysis as part of the Sustainable Tourism Development Strategy for 2030
156	C2.1. R2	M	Amendment of ARPA’s statutes to redefine its mandate
157	C2.1. R2	M	Establishment of the implementation and audit and control system for the RRP
158	C2.1. R2	M	Adoption of the Act on the institutional framework for EU funds
159	C2.1. R2	M	Assessment of the administrative capacity

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
207	C2.4. R1	M	New Croatian Government Decision adopted on state-owned enterprises of particular interest to Croatia
231	C2.6. R1	M	Adoption of a new anti-corruption strategy for 2021-2030
232	C2.6. R1	M	Adoption of the new Law on the Prevention of Conflict of Interest
247	C2.7. R1	M	Strengthening the fiscal framework through amending the Budget Act to improve the budgetary processes
248	C2.7. R1	M	Ensuring the full functionality of the Fiscal Policy Commission.
250	C2.8. R1	M	Raising awareness among all responsible parties through regular training
251	C2.8. R2	M	Continuation of cooperation between the Anti-Money Laundering Office and supervisory authorities
253	C2.8. R3	M	Complete implementation of the new Action Plan to mitigate identified money laundering and terrorist financing risks based on an updated national risk assessment.
265	C3.1. R1	M	Adoption of the revised adult learning legal framework
293	C4.1. R4	M	Entry into force of the amendments to the Minimum Wage Act
302	C4.3. R1	M	Adoption of the National Plan against Poverty and Social Exclusion 2021-2027
312	C4.3. R3	M	Adoption of the National Plan for the Development of Social Services 2021-2027
333	C5.1. R3	M	National Health Development Plan 2021-2027
351	C6.1. R1	M	Adoption of national energy renovation programmes for (i) multi-dwelling buildings,(ii) for buildings that have the status of a cultural good (both for the period 2021-30), and for (iii) energy poverty reduction in areas of special state concern (for the period 2021-25)
362	C6.1. R3	M	A physical one-stop-shop office for energy renovation and seismic reinforcement set up and operational
368	C6.1. R5	M	Adoption of the Circular Management of Space and Buildings Development Programme for the period 2021-2030 and of the Urban Green Infrastructure Development Programme for the period 2021-2030
		Instalment Amount	EUR 804 597 701

2. Second Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
2	C1.1.1. R1-I1	M	Operational digital platform to pay fees
6	C1.1.1. R1-I2	T	Implementation of the Action Plan to reduce non-tax and parafiscal charges 2020

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
14	C1.1.1. R4-I1	M	Publication of calls for funding for investments targeting environmentally friendly activities with established eligibility criteria for applicants and projects (including DNSH compliance criteria)
16	C1.1.1. R4-I2	M	Establishment of financial instrument to support investment by micro, small and medium-sized enterprises
19	C1.1.1. R4-I3	M	Establishment of financial instrument to support investment by mid-caps and large companies
21	C1.1.1. R4-I4	M	Establishment of financial instrument for more favourable financing of public entities
25	C1.1.1. R6	M	Amendments to the legal framework
36	C1.2. R1	M	Publication of an assessment document with recommendations to alleviate barriers and administrative procedures restraining to higher uptake of renewable energy sources
50	C1.2. R1-I3	M	Adoption of the Hydrogen Development Strategy
63	C1.3. R1-I1	T	Public sewerage network constructed or reconstructed
68	C1.3. R1-I2	T	Public water supply network constructed or reconstructed
131	C1.5. R2	M	New Act on Agricultural Land Consolidation
138	C1.5. R4	M	The online platform for food waste prevention and upgraded food donation IT system
160	C2.1. R2	M	Upgrading of the eFondovi IT system: Repository system for Audit and Controls: information for monitoring implementation of RRF
174	C2.2. R4	M	Amendment of the legislative frameworks to encourage the voluntary functional or actual merger of the local government units (LGUs) and adoption of a Decision of the Croatian Government on the criteria for granting fiscal incentives for voluntary functional or actual mergers
202	C2.3. R4	M	Optimisation of the permit granting process for connectivity investments
214	C2.5. R1	M	Electronic tools provided and adequate administrative capacities for the State Judicial Council (Državno sudbeno vijeće, DSV) and the State Attorney's Council (Državnoodvjetničko vijeće, DOV)
215	C2.5. R1	M	Amendments adopted to the Bankruptcy Act and the Consumer Insolvency Act
216	C2.5. R1	M	Adopted amendments to the Code of Criminal Procedure
266	C3.1. R1	M	Comprehensive analysis of secondary education needs
286	C4.1. R1	M	Supplementing active labour market policies
291	C4.1. R3	M	Developing skills according to market needs
303	C4.3. R1	M	Adoption of the new Social Welfare Act
309	C4.3. R2	T	Training of social mentoring professionals

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
352	C6.1. R1	M	Adoption of the Programme for the Energy renovation of public sector buildings for the period 2021-2030
		Instalment Amount	EUR 804 597 701

3. Third Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
1	C1.1.1. R1	M	Adoption of the Strategy for the Evaluation of the Economic Effects of Regulation on the SME sector by the Croatian Government and the accompanying Action Plan
7	C1.1.1. R1-I2	T	Implementation of measures in the Action Plans to alleviate the administrative burden on the economy 2018, 2019, 2020
23	C1.1.1. R5-I1	M	Creation of an equity and quasi-equity financing instrument (PE)
37	C1.2. R1	M	Entry into force of legislation and/or regulation to improve uptake of renewable energy sources, including introduction of a premium-based system for the support of renewable energy sources.
60	C1.3. R1	M	Amendments to the legal framework in the water sector
69	C1.3. R1-I2	T	Water metering devices installed at water abstraction sites
74	C1.3. R1-I3	T	Works contracts concluded for flood protection projects
75	C1.3. R1-I3	T	Flood protective structures built
76	C1.3. R1-I3	T	Revitalised watercourses
83	C1.3. R2	M	Adoption of the Waste Management Plan of the Republic of Croatia for the period 2023-2029
84	C1.3. R2-I1	T	Reduction of the share of municipal waste sent for disposal (49%)
99	C1.4. R2	M	The National Plan for the Development of Railway Infrastructure and the National Management Plan for Railway Infrastructure and Service Facilities
111	C1.4. R3	M	The new Maritime Domain and Seaports Act
114	C1.4. R3-I3	T	New cable ferry 'Križnica' operational across the River Drava in the Municipality of Pitomača
141	C1.6. R1	M	Adoption of the Strategy for the Development of Sustainable Tourism by 2030 of the Government of the Republic of Croatia
144	C1.6. R1-I1	M	Launching public calls for the green and digital transition of existing public tourism infrastructure and the development of public tourism infrastructure beyond the main tourist and coastal areas
146	C1.6. R1-I2	M	Launch public calls to strengthen sustainability and boost the green and digital transition of tourism entrepreneurs, with at least 50% of total investments supporting the green transition
150	C2.1. R1	M	Amendments to the Act on the System of Strategic Planning and Management of Development of the Republic of Croatia and bylaws
161	C2.1. R2-I1	T	Preparation of project technical documentation for green and digital transition projects
165	C2.2. R1-I2	T	100% of officials of all public institutions required to pass the state exam, digitally pass the state exam, based on a new exam model.
176	C2.3. R1	M	Digital Croatia Strategy

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
177	C2.3. R2 C2.3. R2.I2	M	Set-up of the platforms for the central interoperability system
179	C2.3. R3-I1	T	Upgrade of the State Cloud
195	C2.3. R3-I12	M	Digital archives of the Croatian Pension Insurance Institute (HZMO)
229	C2.5. R1-I6	M	All courts of first instance are equipped and meet the conditions for hearing remotely.
233	C2.6. R1	M	Adoption of amendments to the Act on the protection of persons reporting irregularities
249	C2.7. R2	M	Development of a structural macroeconomic model of the Croatian economy for producing medium-term macroeconomic forecasts, budgetary planning and economic policy analyses
256	C2.9. R1	M	Guidance on improving SMEs' participation in and pooling of public procurement procedures
259	C2.9. R1-I1	M	Publication of independent analysis and concrete recommendations to improve the burden management of all staff of key institutions in the procurement system (MINGOR, SAFU, DKOM).
260	C2.9. R2	M	Amendment of the public procurement legislative framework making the use of e-appeal a mandatory means of lodging an appeal
273	C3.1. R2	M	Adoption of the new Act on Scientific Activity and Higher Education
275	C3.2. R1	M	New Science and Higher Education Act
281	C3.2. R2	M	New legal framework regulating quality requirements for study programmes, doctoral studies and working conditions for scientific institutions
284	C3.2. R3	M	New law on the Croatian Science Foundation
294	C4.1. R4	M	Adoption of the Law on Tackling Undeclared Work and the new Labour Law
313	C4.3. R3	M	Adoption of standards of treatment for family assistants
318	C5.1. R1	M	Adoption of the Health System Performance Assessment Framework (HSPA)
323	C5.1. R1-I4	M	Modernisation of health services in Clinical Hospital Centre KBC Split
336	C5.1. R4	M	Amendment of the Health Care Act and Compulsory Health Insurance Act
346	C5.1. R5	M	Improvement and extension of telemedical services
349	C5.1. R5-I3	T	Teletransfusion services
353	C6.1. R1-I1	T	Contracts signed for the energy renovation of public and multi-dwelling buildings
359	C6.1. R2	M	Adoption of the National Skills Development Plan in the context of green jobs related to energy efficiency and post-earthquake reconstruction
363	C6.1. R3	M	On-line one-stop-shop for energy renovation and seismic reinforcement set up and operational
366	C6.1. R4-I1	T	Seismic equipment units procured
		Instalment Amount	EUR 804 597 701

4. Fourth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
39	C1.2. R1-I1	M	Construction permit granted for the upgrade of the high voltage network
163	C2.2. R1	M	Amended legislative framework for a centralised system of selection in the state administration, identifying the necessary qualifications of civil servants and establishing a modern recruitment system
166	C2.2. R2	M	Entry into force of Acts on salaries in the state administration and public services and of regulations for mobility
205	C2.3. R4-I2	M	Grant agreement signed for the construction of passive electronic communications infrastructure
217	C2.5. R1	T	New training programmes introduced in the framework of the judicial training programme
218	C2.5. R1	M	Adoption of amendments to the legislative framework in the area of justice with the new Non-contentious Procedure Act.
219	C2.5. R1	T	Set up four mediation centres at commercial courts in Zagreb, Split, Osijek and Rijeka and adopted amendments to the Mediation Act
257	C2.9. R1	M	Amendment to the Rules on training in public procurement
267	C3.1. R1	M	Adoption of the Model for the Financing of Early Childhood Education and Care
276	C3.2. R1-I1	T	Funding allocated to research projects based on internal calls by research organisations during the first two-year cycle of program agreements implementation
297	C4.2. R1	M	Adoption of amendments to the Pension Insurance Act
316	C4.3. R3-I3	M	IT system calculation of prices for social services and service providers in the network
325	C5.1. R1-I6	T	Diagnostic medical devices in Clinical Hospital (KB) Dubrava
327	C5.1. R1-I8	T	Medical devices for Operational treatment and treatment of patients with pharmaco-resistant epilepsy in Clinical Hospital (KB) Dubrava
343	C5.1. R4-I5	T	Diagnostic units Clinical Hospital Centre (KBC) Merkur
348	C5.1. R5-I2	T	Telecardiological services
		Instalment Amount	EUR 306 166 382

5. Fifth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
8	C1.1.1. R1-I2	M	Digitalisation of the SME Impact Assessment Test through the development of a digital platform for coordinators' collaboration, online training and mutual communication
9	C1.1.1. R1-I2	T	Implementation of the actions of the new Action Plan to reduce non-tax and parafiscal charges
38	C1.2. R1	M	Plinacro certification by Croatian national energy regulator (HERA)
64	C1.3. R1-I1	T	Works contracts concluded for wastewater infrastructure projects
70	C1.3. R1-I2	T	Works contracts concluded for water supply projects
71	C1.3. R1-I2	T	Public water supply network constructed or reconstructed
94	C1.4. R1-I2	T	Establishment of a functional system for the exercise of the rights of persons with disabilities in the field of mobility
127	C1.5. R1-I1	T	A logistic distribution centre (LDC) built and operational
139	C1.5. R4-I1	M	Support Scheme for the infrastructure equipping of food banks and intermediaries in the food donation chain

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
142	C1.6. R1	M	Drawing up the Metodological Framework of the Sustainable Tourism Satellite Account of the Republic of Croatia
143	C1.6. R1	M	Tourism Act establishing a framework for monitoring and development of the tourism sector
151	C2.1. R1	M	Amendments to the Act on Regulatory Impact Assessment
168	C2.2. R2-I2	T	At least 20% of civil servants work in the smartworking model
169	C2.2. R2-I2	T	At least 60% of civil servants trained in smartworking working method
170	C2.2. R3	M	Establishment of an e-conservation service
181	C2.3. R3-I2	M	Pilot project on cybersecurity
183	C2.3. R3-I3	M	Establishment of a one-stop shop
191	C2.3. R3-I9	M	Establishment of a new public procurement platform and mobile application
192	C2.3. R3-I10	M	CES' digital identity and human resources management systems
203	C2.3. R4-I1	M	Grant agreements signed for the implementation of the projects under the National Framework for development of broadband access infrastructure (ONP)
220	C2.5. R1	M	New Framework Benchmarks for the work of judges adopted and an active judicial case management tool introduced
234	C2.6. R1	M	Adoption of a code of ethics for parliamentarians and a code of ethics for officials in the executive
243	C2.6. R2	M	Evaluation of the effects of the Law on the right of access to information
254	C2.8. R4	M	Strengthening supervision of the financial sector based on a risk assessment in the area of AML/CFT
258	C2.9. R1	M	Integration of a tailored framework for continuous training of procurement officers under ProcurCompEU into the mandatory training and certification scheme for public procurement.
268	C3.1. R1	M	Adoption of the amendments for a full-day teaching model
319	C5.1. R1	T	Optimising time for diagnostic treatment – waiting lists
337	C5.1. R4	T	Functional integration of hospitals
338	C5.1. R4	T	Joint procurement procedure for health institutions
369	C6.1. R5	T	The adoption of green urban renewal strategies
371	C6.1. R6	M	Successfully completed systematic energy management pilot project with the aim to test a new energy efficiency renovation financing model
398	C4.3. R1	M	Entry into force of the amendments to the Social Welfare Act and adoption of the Decision on guaranteed minimum benefit
399	C5.1. R3-I1	M	Creation of a centralised financing system dedicated to specialist medical training
		Instalment Amount	EUR 642 949 403

6. Sixth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
40	C1.2. R1-I1	T	Upgrade of underground cables connecting 6 islands to the mainland grid completed
77	C1.3. R1- I3	T	Flood protective structures built
120	C1.4. R5-I2	M	New legislation on autonomous driving

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
167	C2.2. R2-I1	T	The human resources management system, Registry of Public Officials and Centralised Salary System (RegZap – Cop), is complemented with nine new functionalities, digitising all related processes that shall simplify and speed up the amendment of the salary system
171	C2.2. R3	M	Establishment of a national archive information system
182	C2.3. R3-I2	M	Cybersecurity public prevention campaign
184	C2.3. R3-I4	M	CEZIH IT system
208	C2.4. R2	M	New legal framework on state-owned enterprises, incorporating the recommendations of the OECD.
228	C2.5. R1-I5	T	Newly renovated court buildings complying with the Technical Regulation on rational use of energy and thermal protection in buildings
235	C2.6. R1	T	Increase the staff budget for employees of anti-corruption bodies in the justice system.
236	C2.6. R1	T	Increase the budget for the acquisition of IT tools and equipment by judicial authorities to investigate corruption and organised crime offences
241	C2.6. R1-I3	M	Improved asset declaration information systems for state officials and judicial officials
244	C2.6. R3	M	Application of OECD corporate governance recommendations on majority ownership of local and regional units
246	C2.6. R4	T	Training of judges on corruption risk management in public procurement and judicial protection in public procurement procedures
263	C2.9. R3	M	Programmes and activities aimed at designing and managing innovative public procurement
326	C5.1. R1-I7	T	New facilities at the Clinical Hospital Centre (KBC) Sestre Milosrdnice
347	C5.1. R5-I1	T	Digitised, integrated operating halls (Firule and Križine) and robotic system at the Firule site installed and functional
350	C5.1. R5-I4	T	Operating theatres Clinical Hospital Centre (KBC) Sestre milosrdnice equipped with robotic surgery
407	C7.1 R1-I2	M	Hydrogen coordinating body
412	C7.1 R1-I3	M	Geothermal Potential Development Plan
		Instalment Amount	EUR 505 174 531

7. Seventh Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
3	C1.1.1. R1-I1	M	Upgrading START systems
4	C1.1.1. R1-I1	T	Setting up physical access points to the START platform
5	C1.1.1. R1-I1	M	Digitalisation of MINGOR targeted processes under the Law on Strategic Investment Projects of the Republic of Croatia, the Law on Investment Promotion and the Law on State Aid for Research

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
			and Development Projects and the further digitalisation and networking of the JRPI system
10	C1.1.1. R1-I2	T	Implementation of the first set of measures set out in the new/fifth Action Plan for administrative burden relief for entrepreneurs
12	C1.1.1. R2	T	Simplification or removal of at least 50 regulatory requirements for professional services
13	C1.1.1. R3	M	Establishing a strategic framework for the promotion of private investment
28	C1.1.2. R1	M	Amending and supplementing the legal framework for R & D tax incentive
30	C1.1.2. R2-I3	T	Award of support to stimulate the growth of start-ups in high technology and knowledge sectors
32	C1.1.2. R2-I5	T	Support to projects for the commercialisation of innovation
41	C1.2. R1-I1	T	The upgrade of the high voltage network (220/110 kV) completed
42	C1.2. R1	T	An additional 1500 MW of RES capacity installed.
43	C1.2. R1-I1	T	Number of smart meters installed
47	C1.2. R1-I2	T	Contracts signed for exploring geothermal potential
61	C1.3. R1	T	Integration of water service providers
85	C1.3. R2	T	Reduction of the share of municipal waste sent for disposal (51%)
96	C1.4. R1-I4	M	Establishment of a well-functioning reporting control system for road passenger and freight transport
100	C1.4. R2	M	Reorganisation of the railway companies and business management
105	C1.4. R2-I4	T	Double track railway line at Zagreb Kustošija - ZG Zapadni Kolodvor - Zagreb Glavni Kolodvor for a length of 3.4 km reconstructed and upgraded
118	C1.4. R5-I1	T	Electrifying and greening aircraft ground handling system at the Zadar Airport
135	C1.5. R3-I1	T	Digitalisation of at least 30 public services in agriculture listed in the Action Plan for the Digital Transformation of Agricultural Public Services
137	C1.5. R3-I3	M	Establishment of a traceability information system
148	C1.6. R1-I3	M	Educational programmes to strengthen tourism knowledge and skills
164	C2.2. R1-I1	T	100% of all newly recruited, permanent civil servants in government bodies are employed exclusively through a new centralised, digitised and standardised selection and recruitment system, available through a newly developed IT platform.
178	C2.3. R2-I1	M	Establishment of the central interoperability system
185	C2.3. R3-I5	T	Digital Identity Card e-signature
190	C2.3. R3-I8	T	Digital e-public services integrated into the new mobile platform
199	C2.3. R3-I14	M	System for e-invoices and online VAT accounting
210	C2.4. R4	T	The realisation of the sale of 90 state-owned enterprises which are not of particular interest to the Republic of Croatia and are managed by CERP
212	C2.4. R5	M	Develop an IT system and a methodology for of state-owned property portfolio reduction and faster and efficient activation of unused government assets
224	C2.5. R1-I1	M	All new first and second instance court decisions ending proceedings are anonymised and published on the portal.
226	C2.5. R1-I3	M	Upgraded eSpis system with new functionalities and new architecture integrated into the Shared Services Centre (CDU)
238	C2.6. R1	T	Reducing the average length of court cases for corruption and organised crime offences

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
240	C2.6. R1-I2	M	Establishment of an information system for the management of the ethical infrastructure of civil servants
252	C2.8. R2	T	Strengthen supervision through regular meetings of Interinstitutional Working Group on Supervision
261	C2.9. R2	T	Reducing the average time for dealing with appeals and decisions
277	C3.2. R1-I1	T	Share of universities or research institutes that have signed programme agreements
288	C4.1. R2	M	Entry into force of the amendments to the Labour Market Act
289	C4.1. R2	M	Improved quality of support for vulnerable groups
295	C4.1. R4	T	Increasing the ratio of the minimum wage to the average gross wage in 2024 to 50%.
296	C4.1. R4	T	Reducing the share of temporary contracts to 17%
299	C4.2. R1	T	An increase of at least 10% in the total pension income for beneficiaries of the redefined form of survivor's pension
301	C4.2. R1	T	Increase of the minimum pension by 3%
305	C4.3. R1	M	Adoption of a normative rule on functionally integrated social benefits
308	C4.3. R1-I2	M	Digital availability of information on social protection benefits at national level
314	C4.3. R3-I1	T	Strengthening human capacity to deliver community-based services
378	C1.3. R2-I1	M	Entry into force of the Regulation on Landfilling Tax
408	C7.1 R1-I2	M	Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050
		Instalment Amount	EUR 699 096 086

8. Eighth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
78	C1.3. R1-I3	T	Revitalised watercourses
119	C1.4. R5-I2	T	Verification prototypes of fully autonomous and electric vehicles and relevant testing
133	C1.5. R2-I2	T	Upgrade of operational information system for monitoring agricultural land and establishment of 90 permanent stations to monitor the condition of agricultural land
175	C2.2. R4-I1	M	Support mechanism for voluntary functional and real connections and the establishment of a complete support system for functional and effective coupling of units
239	C2.6. R1-I1	M	Evaluation of the effects of the national information campaign against corruption
242	C2.6. R1-I4	T	Upgrade of 4 regional centres of the Police National Office for Combating Corruption and Organised Crime (PN USKOK)
282	C3.2. R2-I1	T	Grants awarded under the programming framework for increasing availability and employability of graduates in STEM/ICT fields and improving their mobility for national and international cooperation
290	C4.1. R2	T	Improved quality of support for at least 5 000 people from vulnerable groups
298	C4.2. R1	M	Adoption of the Act amending the Compulsory Pension Funds Act.
339	C5.1. R4-I1	T	Central management of parenteral preparations in 8 hospitals

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
342	C5.1. R4-I4	T	System to monitor shortages of medicinal products based on "blockchain" technology
365	C6.1. R4	M	Integration of seismic data
406	C7.1 R1	M	Entry into force of legislation setting up the new system of self-consumption
		Instalment Amount	EUR 204 095 476

9. Ninth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
11	C1.1.1. R1-I2	T	Implementation of the second set of measures set out in the new/fifth Action Plan to further reduce the administrative burden on entrepreneurs
15	C1.1.1. R4-I1	T	Granting of the funds to SMEs and mid-cap companies for investments targeting environmentally friendly activities
29	C1.1.2. R2-I2	T	Support SMEs to upgrade management capacity
48	C1.2. R1-I2	M	Results of geothermal potential for district heating made publicly available
51	C7.1 R1-I1	M	Financing of a renewable hydrogen project
65	C1.3. R1-I1	T	Waste water treatment plants constructed
66	C1.3. R1-I1	T	Public sewage network constructed or reconstructed
72	C1.3. R1-I2	T	Public water supply network constructed or reconstructed
79	C1.3. R1-I3	T	Flood protective structures built
86	C1.3. R2-I1	T	Sorting facilities built
87	C1.3. R2-I1	T	Built facilities to treat separately collected bio-waste
88	C1.3. R2-I1	T	Functional fixed/mobile waste sorting site
107	C1.4. R2-I6	T	Two prototypes of battery trains produced
104	C1.4. R2-I3	T	Five bottlenecks removed on sections with the current constraint running speeds of 60 km/h
112	C1.4. R3-I1	T	New passenger terminal at the city port of Split and upgraded port of Bol – Brač
117	C1.4. R4-I2	T	30 new trams delivered for public transport
122	C1.4. R5-I2	M	New urban transport service of fully autonomous and electric vehicles adapted to the needs of disabled passengers and a specialised infrastructure
136	C1.5. R3-I2	M	Setting up a Smart Agriculture platform
149	C1.6. R1-I3	T	Educated persons in tourism related education programmes
152	C2.1. R1	T	Reduction of the administrative burden directly affecting citizens, through digitalisation and simplification of procedures
153	C2.1. R1-I1	T	Digitisation of all business processes mapping in the area of strategic planning and regulatory impact assessment
162	C2.1. R2-I1	T	Preparation of project technical documentation for green and digital transition projects
186	C2.3. R3-I6	M	State information infrastructure (DII) network upgraded
187	C2.3. R3-I6	T	New users of the State information infrastructure network (DII)
188	C2.3. R3-I7	M	Digital spatial plans
189	C2.3. R3-I7	M	Upgrade of the Spatial Plans Information System
442	C2.4 R2	M	Ownership Policy for state-owned enterprises
230	C2.5. R1-I6	M	Upgrade of ICT infrastructures in judicial bodies

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
237	C2.6. R1	M	Setting up an IT platform to monitor the implementation of national anti-corruption measures
264	C2.9. R3	T	Training on innovation procurement
280	C3.2. R1-I1	T	Reorganisations of higher education institutions and scientific institutes
285	C3.2. R3-I1	T	Grants awarded under a 'pilot programme' supporting the establishment of a reformed R & D & I framework.
287	C4.1. R1	T	Number of beneficiaries of the new active labour market policy measures
300	C4.2. R1	M	Adoption of amendments to the Pension Insurance Act
307	C4.3. R1-I1	T	Local government units data access on social benefits for each individual beneficiary
310	C4.3. R2-I1	T	Employment of social mentoring professionals
324	C5.1. R1-I5	T	Central Operating Block building with accompanying contents of Varaždin General Hospital
329	C5.1. R2	M	Improving and harmonising the quality of healthcare by developing Clinical e-Guidelines
331	C5.1. R2-I1	T	Improving the quality of oncology radiotherapy
332	C5.1. R2-I2	T	Single IT platform to connect, monitor and optimally treat oncological patients
340	C5.1. R4-I2	T	Unit therapy system for solid forms of medicines in 40 Croatian hospitals
344	C5.1. R4-I5	T	Monitoring the treatment outcomes of non-hospital chronic patients in public pharmacies
380	C1.3. R2-I1	T	Equipment for treatment of biowaste
429	C7.2 R1	T	Participatory workshops conducted
430	C7.2 R2	T	Adoption of green urban renewal strategies
444	C1.1.1. R4-I5	M	Investment policy for strategic digital investments and strategic green investments
		Instalment Amount	EUR 320 117 457

10. Tenth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
17	C1.1.1. R4-I2	T	Loans/interest rate subsidies granted to micro, small and medium-sized enterprises
18	C1.1.1. R4-I2	T	Loans/interest rate subsidies granted to micro, small and medium-sized enterprises
20	C1.1.1. R4-I3	T	Number of granted projects for mid-caps and large enterprises
22	C1.1.1. R4-I4	T	Credits granted for public sector projects
24	C1.1.1. R5-I1	T	Investments made in equity and quasi-equity instruments
26	C1.1.1. R6-I1	T	Investments in the transformation and competitiveness of cultural and creative industries
27	C1.1.1. R6-I2	M	Setting up a system for fact-checking
31	C1.1.2. R2-I4	T	Supporting the growth of start-ups through the establishment of accelerator programme.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
33	C1.1.2. R3-I2	T	Grant support in the form of vouchers
34	C1.1.2. R3-I3	T	Grant support for the digital transformation of Croatian SMEs
44	C1.2. R1-I1	M	The upgrade of the high voltage network (220/110 kV) snd of distribution network
52	C7.1 R1-I1	M	Public tender launched for additional hydrogen capacity
53	C7.1 R1-I1	T	At least 2 hydrogen charging stations have been built
54	C7.1 R1-I1	M	Studies on Carbon Geological Storage
90	C1.3. R2-I2	T	Remediation of landfills
95	C1.4. R1-I3	M	Establishment of a national road transport electronic storage and data exchange system (NSCP)
97	C1.4. R1-I5	M	Development of a monitoring system for transport of dangerous goods by road (e-ADR)
108	C1.4. R2-I7	M	Modernisation of HŽ Passenger Transport IT systems
116	C1.4. R4-I1	M	70 alternative-fuel powered buses (electric and/or hydrogen)
123	C1.4. R5-I2	T	50 000 free of charge vouchers for trips with fully autonomous vehicle for persons with disabilities and/or facing difficulties in using other public transport means
124	C1.4. R5-I3	T	2 000 alternatively powered road vehicles (electrical and/or hydrogen)
125	C7.1 I2	M	1 300 fast electric charging points
128	C1.5. R1-I1	T	At least three logistic distribution centre (LDC) built and operational
129	C1.5. R1-I2	T	Training for producer organisations
130	C1.5. R1-I2	M	System for the labelling of fruit and vegetables
145	C1.6. R1-I1	M	Finalizing awarded projects for the construction and adaptation of public tourism infrastructure
147	C1.6. R1-I2	M	Finalizing awarded projects of the investment to strengthen sustainability and foster the green and digital transition of tourism entrepreneurs
172	C2.2. R3-I1	T	Creation of a set of 60 publicly available conservation bases for the most complex cultural and historical sites of high monument value
173	C2.2. R3-I2	T	600 document creators use the archive information system
180	C2.3. R3-I1	T	Increase in number of users in the Shared Services Centre
193	C2.3. R3-I10	M	Upgrading the digitalisation of the CES
194	C2.3. R3-I11	M	Upgraded IT system of the Croatian Pension Insurance Institute (HZMO)
196	C2.3. R3-I12	M	Digital Archives of the Croatian Pension Insurance Institute (HZMO)
197	C2.3. R3-I13	M	Upgraded Tax Administration Information System
200	C2.3. R3-I15	T	Tools in the tourism IT system
201	C2.3. R3-I16	T	New application modules for the sport IT system
204	C2.3. R4-I1	M	Broadband access for households in white NGA areas
206	C2.3. R4-I2	T	Access to 5G
209	C2.4. R3	T	Training for line ministries and central coordination units in corporate governance activities
211	C2.4. R4	T	The realisation of the sales of 20 state-owned enterprises in the CERP portfolio
213	C2.4. R5	T	Increasing the commercialisation, streamlining and activation of state-owned property
221	C2.5. R1	T	Reduction of the duration of litigation and commercial cases
222	C2.5. R1	T	Reduction of the total number of all pending cases
225	C2.5. R1-I2	T	60% of land registration and cadastral data integrated
227	C2.5. R1-I4	T	Construction of a garage area for the Justice Square in Zagreb

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
245	C2.6. R3	M	Assessment of the effects of the implementation of the 2021-2022 Anti-Corruption Programme for majority-owned companies of local government and regional government units
269	C3.1. R1	T	Participation in early childhood education and care
270	C3.1. R1-I1	T	Number of places built in ECEC
271	C3.1. R1-I2	T	Number of primary school classrooms constructed or reconstructed
274	C3.1. R2-I1	T	Digital infrastructure and equipment delivered to public higher education institutions
278	C3.2. R1-I1	T	Completed research projects, in the 'Green' field, by scientific organisations that have signed new Programme Agreements
279	C3.2. R1-I1	T	Funding allocated to research projects based on internal calls by research organisations
283	C3.2. R2-I2	T	Infrastructure projects for applied and targeted research
292	C4.1. R3-I1	T	Use of education vouchers
304	C4.3. R1	T	Beneficiaries of the Guaranteed Minimum Benefit and national compensation for elderly persons
317	C4.3. R3-I4	T	Construction of centres for the elderly institutional, home and community care
328	C5.1. R1-I9	M	Development Project of Clinical Hospital Centre (KBC) Zagreb
334	C5.1. R3-I1	T	Specialist medical training at the primary basic level of health care
335	C5.1. R3-I2	T	Bachelors of nursing specialist training in emergency medicine
341	C5.1. R4-I3	T	Monitoring of the medicines in the hospital system from the pharmacy to the patient
354	C6.1. R1-I1	T	Energy renovation of multi-dwelling buildings
355	C6.1. R1-I1	T	Energy renovation of public buildings
358	C6.1. R1-I3	T	Energy renovation of buildings with the status of a cultural good
360	C6.1. R2	M	Training certification
364	C6.1. R3	T	Completed training for public employees for providing one-stop-shop services
367	C6.1. R4-I1	M	Training for Seismological Survey employees
370	C6.1. R5	T	Finalisation of a pilot project identified through green urban renewal strategies
376	C1.2 R1-I1	T	Number of smart meters installed
377	C1.2 R1-I1	M	New energy battery storage capacity
381	C1.3. R2-I1	T	Construction of waste transfer stations
396	C3.1. R1-I3	T	Number of secondary education classrooms renovated or built
401	C6.1. R2	M	Enrollment into the new master programme offered
413	C7.1 R1-I3	T	Geothermal drilling works conducted
414	C7.1 I1	M	103 alternative-fuel powered buses (electric and/or hydrogen)
415	C7.1 I1	T	One hydrogen energy unit for powering electric locomotives located in a separate wagon (HERMES)
431	C7.2 R2	T	Finalisation of pilot projects identified through the green urban renewal strategies
445	C1.1.1. R4-I5	M	Equity injection for strategic digital investments and strategic green investments
448	C7.2 I3	T	Energy and post-earthquake renovation of public buildings damaged by the earthquakes
		Instalment Amount	EUR 695 152 190

2. Loan

The instalments referred to in Article 3(2) shall be organised in the following manner:

1. First Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
55	C7.1 R1-I5	M	Plan for the production and use of biofuels in transport adopted
405	C6.1 R1 -I4	M	Guidelines for the energy renovation of buildings with the status of a cultural good
421	C7.1 I3	M	Contract for equipment for the expansion of the LNG terminal on the island of Krk
423	C7.1 I3	M	Contract for works for the expansion of the Zlobin – Bosiljevo gas pipeline
		Instalment Amount	EUR 303 868 355

2. Second Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
382	C1.3. R3	M	Adoption of National Water Loss Reduction Action Plan
385	C1.3. R3	M	Entry into force of the Regulation on the Council for Water Services
393	C2.2 R5	M	Entry into force of bylaws regulating the new wage models and centralised system of selection in civil and public services
425	C7.1 I3	M	Tender for procurement of pipes for the expansion of Bosiljevo - Sisak – Kozarac gas pipeline
427	C7.1 I3	M	Tender for procurement of pipes for the expansion of section Lučko – Zabok of the Croatia – Slovenia interconnector
438	C7.2 I2	T	Contracts signed for the energy renovation of multi-dwelling buildings damaged by the earthquakes
		Instalment Amount	EUR 455 802 533

3. Third Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
154	C2.1. R1-I2	T	Training modules for strategic planning and regulatory impact assessment at national, regional and local level
315	C4.3. R3-I2	T	Single Information System (SocSkrb information system)
373	C1.1.1.R5	M	Adoption of the Strategic Framework for the Development of the Capital Market in Croatia and the accompanying Action Plan
383	C1.3. R3	M	National Authority for Monitoring Water Losses Established
386	C1.3. R3	T	Capacity building of the Council for Water Services
402	C6.1. R7	M	Signed agreements on pilot project implementation
		Instalment Amount	EUR 531 769 622

4. Fourth Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
320	C5.1. R1-I1	T	Access to pharmacy care and medicines
375	C1.1.1. R7	M	Adoption of the First Action Plan to support the objectives of sustainable finance
424	C7.1 I3	T	Construction of the expanded Zlobin – Bosiljevo gas pipeline
433	C7.2 R4	M	Education program for workers from third countries
		Instalment Amount	EUR 822 976 794

5. Fifth Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
155	C2.1. R1-I2	T	Training days carried out for officers linked to the system of strategic planning and implementation of regulatory impacts at national and regional level
321	C5.1. R1-I2	T	Provision of mobile outpatient primary healthcare
384	C1.3. R3	T	Adoption of water loss reduction action plans of water operators
388	C1.3. R3	T	Wastewater treatment plants constructed
389	C1.3. R3	T	Public sewage network constructed or reconstructed
391	C1.3. R3-I2	T	Public water supply network constructed or reconstructed
394	C2.3 R3- I17	M	Law on establishing the Register of Population, Family and Households (SOK)
422	C7.1 I3	T	Expansion of the LNG terminal on the island of Krk operational

446	C1.1.1. R4-I6	M	Investment policy for strategic defence and security investments
		Instalment Amount	EUR 580 654 154

6. Sixth Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
93	C1.4. R1-I1	M	New electronic toll system
443	C2.5. R1-I7	T	Newly built building in the Justice Square in Zagreb
397	C3.1. R1-I4	T	Number of primary school classrooms constructed or reconstructed
322	C5.1. R1-I3	T	New building in the complex of the Infectious Disease Clinic Dr Fran Mihaljević
356	C7.2 I2	T	Energy and post-earthquake renovation of multi-dwelling buildings damaged by the earthquakes
357	C7.2 I2	T	Energy and post-earthquake renovation of public buildings damaged by the earthquakes
403	C6.1. R7	T	Pilot project completed
404	C6.1. R7	M	National guidelines on circular use of construction waste from the buildings with a status of a cultural good
418	C7.1 R1-I4	M	Charging infrastructure for electric buses
419	C7.1 R1-I6	T	Replacement of electricity transformers
420	C7.1 R1-I6	T	Reconstruction of electrical substations
426	C7.1 I3	T	Construction of the expanded Bosiljevo - Sisak – Kozarac gas pipeline
428	C7.1 I3	T	Construction of the expanded section Lučko – Zabok of the Croatia – Slovenia interconnector
432	C7.2 R3	T	Finalisation of pilot projects identified through the green urban renewal strategies
435	C7.2 I1	T	Energy renovation of multi-dwelling buildings
436	C7.2 I1	T	Energy renovation of public buildings
437	C7.2 I1	T	Installing renewable energy systems in public buildings
439	C7.2 I2	T	Installing renewable energy systems in public buildings damaged by the earthquakes
440	C1.3 R3-I3	T	Flood protective structures built
441	C1.3 R3-I3	T	Revitalised watercourses
447	C1.1.1. R4-I6	M	Equity injection for strategic defence and security investments
		Instalment Amount	EUR 1 559 085 514

SECTION 3: ADDITIONAL ARRANGEMENTS

1. Arrangements for monitoring and implementation of the recovery and resilience plan

The monitoring and implementation of the recovery and resilience plan of Croatia shall take place in accordance with the following arrangements:

A multi-level governance, monitoring and implementation structure shall be set up with dedicated tasks and responsibilities applicable at each level as set out hereunder:

a) Steering board, chaired by the Prime minister, responsible for the political leadership and monitoring of the implementation of the plan.

b) Implementation Committee, made up of representatives of the cabinet of the Prime minister, coordinating body, implementing bodies, audit authority, body responsible for sending payment claims, and the Ministry of Regional Development and EU Funds, responsible for the overall monitoring and implementation of the plan as well as ensuring consistency with other EU funds.

c) Central Coordinating Body, set up under the Ministry of finance (Directorate for macroeconomic analysis) and tasked with the operational coordination and monitoring of the recovery and resilience plan, including the active monitoring of the progress in implementing the measures on the basis of the milestones and targets set for each component.

d) Audit authority, the Agency for the Audit of the European Union Programmes Implementation System, mandated to carry out audits in the scope of the Croatian recovery and resilience plan.

e) Body responsible for sending payment claims, the National Fund under the Ministry of Finance, responsible for drawing up and submitting payment requests and management declarations.

f) Implementing bodies and agencies responsible for the implementation of each specific measure as well as the monitoring of the projects' progress.

The Croatian recovery and resilience plan states that the procedures are in place to ensure compliance to applicable Union and national law, throughout the implementation of the measures. Furthermore, these procedures shall be applied to address all serious irregularities (fraud, corruption, conflict of interest) and double funding by allowing for controls and audits to be implemented at the line Ministry level. To ensure that reliable data are reported, the implementing bodies responsible for each component shall carry out administrative and onthe-spot checks. Regular checks on the veracity and accuracy of data shall be carried out by the coordinating body in cooperation with the National Fund. Moreover, the audit authority, will carry out the second level controls, based on a half-yearly cycle, including system audits and audits on the achievement of the milestones and targets.

2. Arrangements for providing full access to the Commission to the underlying data

In order to provide full access to the Commission to the underlying relevant data, Croatia shall have in place the following arrangements:

The Central Coordinating Body shall be responsible for the overall implementation of the recovery and resilience plans, for ensuring coordination with other relevant authorities in the country (including ensuring coherence regarding the use of other EU funds), for monitoring progress on milestones and targets, and for providing all necessary reporting.

In carrying out its duties, the Coordinating Body shall rely on the eFondovi IT system, used for the monitoring of the European Structural and Investment Funds, which shall be upgraded with

functionalities developed for reporting on the recovery and resilience plan's qualitative and quantitative indicators. The IT system shall enable the collection of the information from the project beneficiaries on the progress in the implementation of the grant agreements. Implementing bodies shall be responsible for the accuracy and completeness of the data collected. Regular checks on the veracity and accuracy of data shall be carried out by the Coordinating Body in cooperation with the National Fund.

In accordance with Article 24(2) of Regulation (EU) 2021/241, upon completion of the relevant agreed milestones and targets in Section 2.1 of this Annex, Croatia shall submit to the Commission a duly justified request for payment of the financial contribution. Croatia shall ensure that, upon request, the Commission has full access to the underlying relevant data that supports the due justification of the request for payment, both for the assessment of the request for payment in accordance with Article 24(3) of Regulation (EU) 2021/241 and for audit and control purposes.