

**STATUS OF PROJECTS IN EXECUTION – FY07**  
**SOPE**  
**CROATIA**

**Operations Policy and Country Services**  
**OCTOBER 10, 2007**



## Introduction

The Status of Projects in Execution (SOPE) Report for FY07 provides information on all IBRD/IDA projects that were active as of June 30, 2007. The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document or Program Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY07 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

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<sup>1</sup> Notes:

- Amounts and Graphs for loans/credits/grants in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.



**Country: Croatia**

**Project Name (ID):** Karst Ecosystem Conservation (GEF) ( P042014 )

**Country:** Croatia

**Board Approval Date :** 05/23/2002

**Midterm Review Date :** 03/09/2005

**Closing Date :** 12/31/2007

**Loan/Credit/Grant Number :** MULT-23163, MULT-50539, NORW-53242

**Sector(s):** General agriculture, fishing and forestry sector(41%), Central government administration(30%), Other industry(12%), Law and justice(9%), Sub-national government administration(8%)

**Theme(s):** Biodiversity(P), Environmental policies and institutions(P), Export development and competitiveness(P), Participation and civic engagement(P), Law reform(S)

**Project Development Objectives:**

The objective is that local residents, tourists and other visitors to participating national parks and other protected areas in the karst region refrain from practices identified as detrimental to biodiversity conservation and adopt recommended behaviors that preserve and protect the unique features of the karst environment.

**Progress toward achieving development objective(s):**

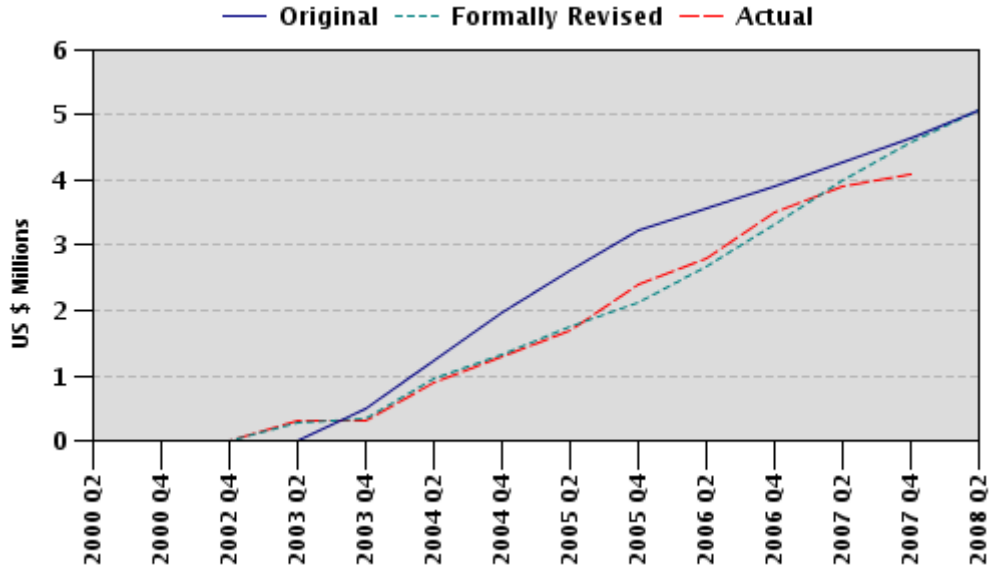
The project is near completion and has sustained steady progress toward its development objectives which includes the introduction of participatory management plans in all parks; training for park management and rangers; introducing and sustaining visitor surveys; improving park knowledge of biodiversity to be protected; enhancing interpretation and guide services; widening community involvement in park activities; and improvements to infrastructure with an emphasis on public awareness of unique karst features and reasons for protection (interpretation boards and centers, etc.)

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-23163	Closed	0.23	0.23	0.00	0.00
MULT-50539	Effective	5.07	4.12	0.95	0.00
NORW-53242	Closed	0.20	0.19	0.01	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Rijeka Gateway ( P043195 )

**Country:** Croatia

**Board Approval Date :** 07/08/2003

**Midterm Review Date :** 10/06/2006

**Closing Date :** 12/31/2010

**Loan/Credit/Grant Number :** IBRD-P3910, JPN-26112, IBRD-47160, IBRD-47151, IBRD-47150, IBRD-47140

**Sector(s):** Roads and highways(49%), Ports, waterways and shipping(43%), Central government administration(8%)

**Theme(s):** Export development and competitiveness(P), Infrastructure services for private sector development(P), Improving labor markets(S), Other public sector governance(S)

**Project Development Objectives:**

The development objective is to increase Croatia's trade competitiveness by improving the international transport chain through the Rijeka Gateway for both freight and passengers traffic, modernizing the port and road network connections, and privatizing port operations.

**The project was restructured, or received Additional Financing during FY 07**

The additional financing was approved in May 2007, to help finance: (a) a cost overrun in completing the construction of the main port component (Zagrebacko Terminal) and (b) a financing gap in technical services to prepare concession arrangements for the Zagrebacko Terminal. The project design, components, development objectives and expected outcomes remain unchanged.

**Progress toward achieving development objective(s):**

The port of Rijeka continued to improve its competitiveness and experienced strong traffic growth for container traffic, with a record 94,390 container units handled in 2006, compared to only 76,258 in 2005. This performance enabled the Port Authority to improve its financial standing. Amendments in December 2006 to the Law on Seaports now facilitate private sector participation in the port, which coincides with renewed interest from several major container shipping companies.

In the road sector, sections of the Rijeka Bypass D8 and of Eastern connecting road D404 were opened to traffic, while the road maintenance budget has been increased substantially.

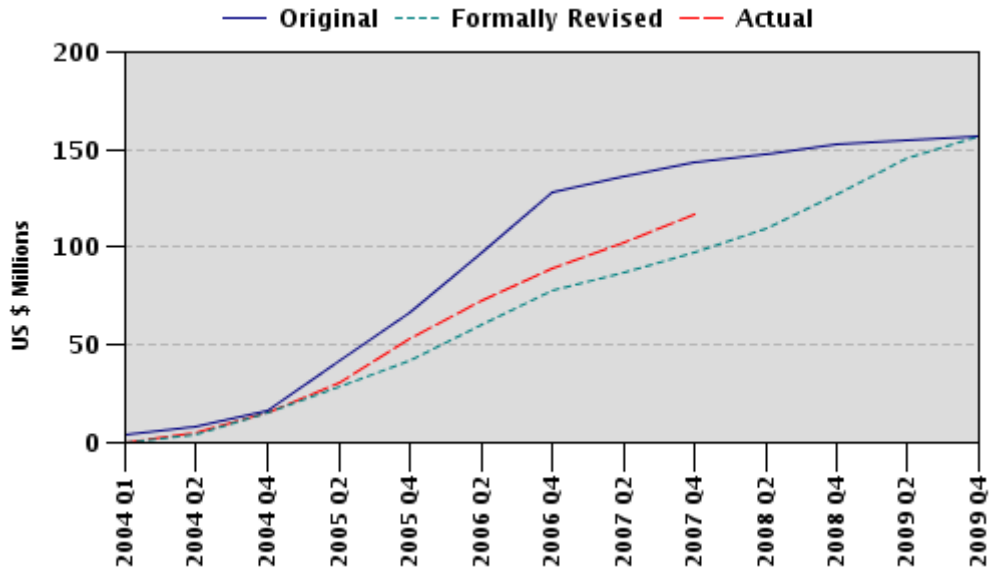
**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-P3910	Closed	1.50	0.00	0.00	1.50
JPN-26112	Closed	0.34	0.34	0.00	0.00
IBRD-47160	Effective	102.85	86.70	9.89	0.00
IBRD-47151	Not Effective	47.65	0.00	47.65	0.00
IBRD-47150	Effective	55.10	28.16	26.94	0.00



Status of Projects in Execution - FY07  
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IBRD-47140      Effective                                      21.19                                      2.38                                      18.61                                      0.00



**Project Name (ID):** Municipal Environment Infrastructure ( P043444 )

**Country:** Croatia

**Board Approval Date :** 06/18/1998

**Midterm Review Date :** 10/01/2001

**Closing Date :** 12/31/2007

**Loan/Credit/Grant Number :** IBRD-43520, JPN-25799, JPN-29486

**Sector(s):** Sewerage(70%), Water supply(30%)

**Theme(s):** Water resource management(P), Pollution management and environmental health(P), Rural services and infrastructure(P)

**Project Development Objectives:**

The objectives are to: (a) reduce municipal wastewater pollutant discharges into the environmentally sensitive Kastela and Trogir Bays to levels that meet applicable Croatian and European Union standards;(b) improve the safety, reliability and delivery of drinking water in the project area; (c) improve the operational and financial performance of the Split Water and Sewerage Company.

**Progress toward achieving development objective(s):**

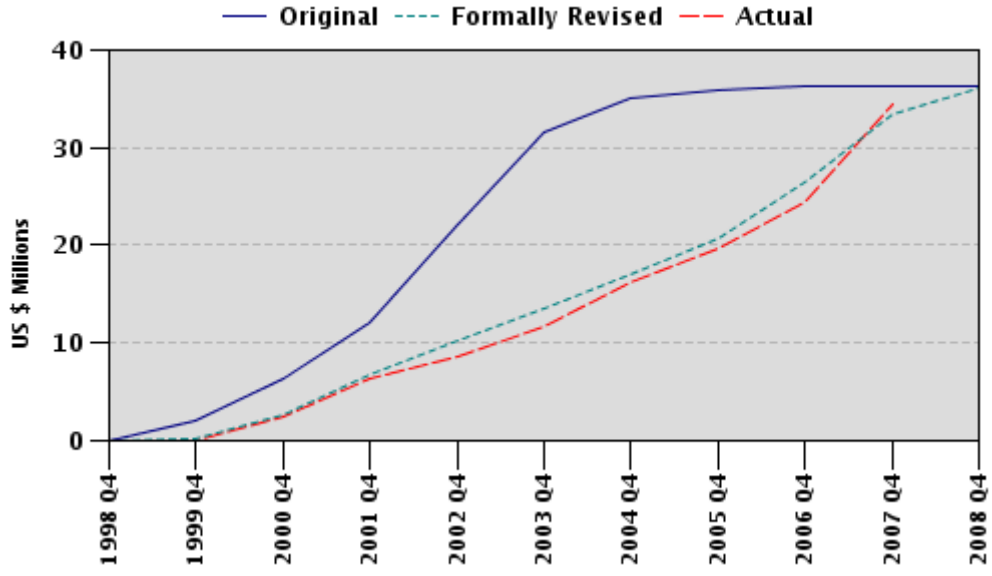
Following completion the construction of Split-Solin wastewater system, municipal wastewater pollutant discharge into the environmentally sensitive Kastela bay has been significantly reduced, while completion the construction of the Split water supply has improved the safety, reliability, and delivery of drinking water in the project area. Important progress has been made relating to the construction of Kastela-Trogir wastewater system that will lead to further reduction of pollutant discharge in to Kastele and Trogir bay. The operational and financial performance of the Split Water and Sewerage Company is improving, as continuation of a previous positive trend. However, the majority of operational financial parameters are still bellow originally expected values, and need to be further improved to fully achieve project's objective.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-43520	Effective	44.86	34.42	3.86	0.00
JPN-25799	Closed	0.22	0.22	0.00	0.00
JPN-29486	Closed	0.50	0.50	0.00	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Pension System Investment ( P063546 )

**Country:** Croatia

**Board Approval Date :** 07/18/2002

**Closing Date :** 12/31/2007

**Loan/Credit/Grant Number :** IBRD-46720, IBRD-P3580

**Sector(s):** Compulsory pension and unemployment insurance(80%), Central government administration(20%)

**Theme(s):** Social risk mitigation(P), Regulation and competition policy(S)

**Project Development Objectives:**

The objectives are to: (a) improve Croatia's system for reporting and enforcement of social contributions and personal income taxes, particularly for the new system of funded pensions; and (b) strengthen capacity in existing and new agencies which manage different parts of the pension system to operate and regulate the new multi-pillar pension system.

**Progress toward achieving development objective(s):**

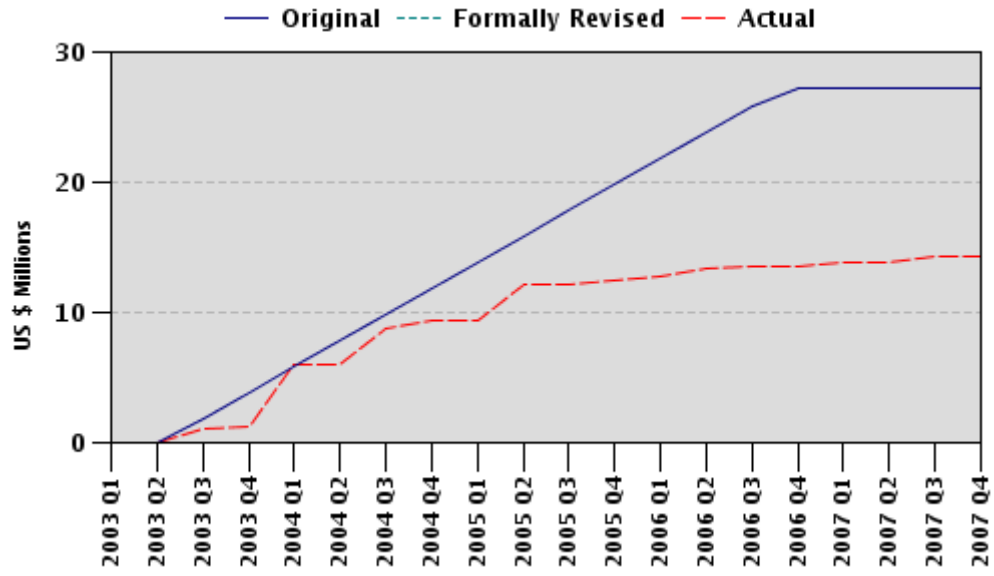
The project has been particularly successful in establishing the system to channel second pension pillar contributions efficiently into the selected pension funds, 99.6 percent of which reaches individual accounts within 48 hours. The project has significantly contributed to the improvement in social insurance contribution collection, which reduced the burden of the second pillar transition cost by more than one-half. The establishment of adequate operational and financial supervision capacity, including the development of supervision procedures, training supervision staff and building capacity of the Pension Fund has also been successful. The creation of a unified database on contributions and income taxpayers and social insurance beneficiaries, envisaged by the project, has not yet been established, and efforts to achieve this objective continue.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46720	Effective	27.30	14.28	13.02	0.00
IBRD-P3580	Closed	1.76	0.00	0.00	1.76



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Coastal Cities Pollution Control (APL #1) ( P065416 )

**Country:** Croatia

**Board Approval Date :** 06/01/2004

**Midterm Review Date :** 03/27/2007

**Closing Date :** 11/30/2008

**Loan/Credit/Grant Number :** IBRD-72260, NETH-54882, JPN-26441

**Sector(s):** Sewerage(85%), Central government administration(10%), General water, sanitation and flood protection sector(5%)

**Theme(s):** Pollution management and environmental health(P), Access to urban services and housing(P), Other urban development(S), Environmental policies and institutions(S)

**Project Development Objectives:**

The objective is to improve the quality of Adriatic coastal waters of participating municipalities in a financially and operationally sustainable manner to meet European Union ambient quality standards.

**Progress toward achieving development objective(s):**

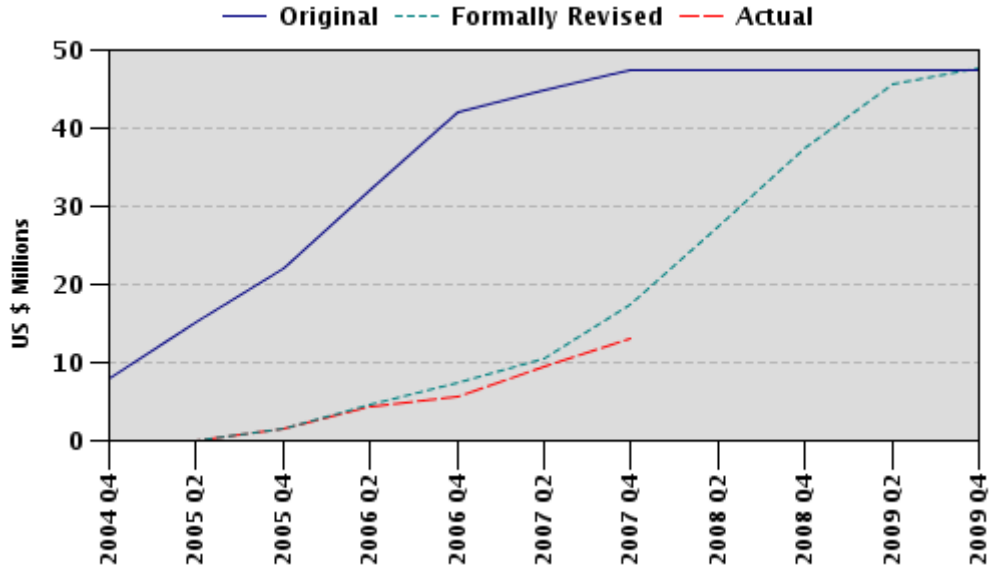
It is likely that the project objective will be met by the conclusion of the program. Significant investments in wastewater infrastructure (sewerage networks, wastewater treatment and sub-marine outfalls) have been carried out in 11 municipalities and progress is being made on strengthening the Municipal Water and Sewerage Companies and the sea water quality monitoring system.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72260	Effective	53.99	13.15	40.04	0.00
NETH-54882	Effective	2.46	0.63	1.83	0.00
JPN-26441	Closed	0.33	0.33	0.00	0.00



Status of Projects in Execution - FY07  
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**Project Name (ID):** Real Property Registration and Cadastre ( P067149 )

**Country:** Croatia

**Board Approval Date :** 08/29/2002

**Midterm Review Date :** 02/16/2006

**Closing Date :** 09/30/2008

**Loan/Credit/Grant Number :** EECT-51781, EECT-52657, EECT-55104, IBRD-46740, IBRD-P3800

**Sector(s):** General agriculture, fishing and forestry sector(40%), Law and justice(35%), Central government administration(25%)

**Theme(s):** Personal and property rights(P), Land administration and management(P), Judicial and other dispute resolution mechanisms(S), Access to law and justice(S), Rural markets(S)

**Project Development Objectives:**

The objective of the project is to build an efficient land administration system with the purpose of contributing to the development of efficient real property markets.

**Progress toward achieving development objective(s):**

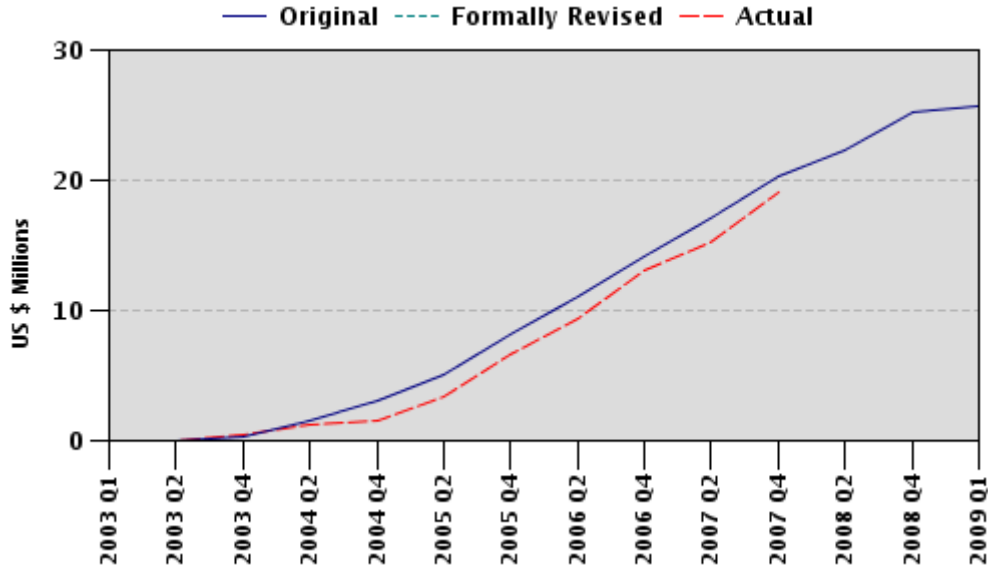
The backlogs in the registration offices have been reduced by two thirds since the start of the project. The number of days to register a sale has also been cut in half, and all offices are providing better and more efficient service to customers. The number of mortgages registered is increasing by approximately 20 percent per year. A new IT system is under development and will integrate the registration and cadastre services and bring the whole system online by the end of 2008.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
EECT-51781	Closed	6.61	6.02	0.34	0.00
EECT-52657	Effective	2.65	1.33	1.24	0.00
EECT-55104	Effective	5.95	2.07	3.81	0.00
IBRD-46740	Effective	35.09	19.08	14.55	0.00
IBRD-P3800	Closed	0.99	0.00	0.99	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Social Welfare Development ( P069937 )

**Country:** Croatia

**Board Approval Date :** 06/14/2005

**Closing Date :** 09/30/2009

**Loan/Credit/Grant Number :** IBRD-73070, UK-29810, JPN-26262, SIDA-56237

**Sector(s):** Other social services(100%)

**Theme(s):** Social safety nets(P), Social risk mitigation(P), Other social protection and risk management(S)

**Project Development Objectives:**

The objective is to strengthen the quality, targeting, and administration of social benefits and services being provided to those most in need.

**Progress toward achieving development objective(s):**

Since the start of the project in early 2006, considerable progress has been made in advancing the social welfare reform in Croatia. A major administrative reform has already been initiated through the development of the concept for the one-stop-shop model and consolidation of social benefits and their administration. Several changes made to the Social Welfare Act are expected to promote de-institutionalization, reintegration, and inclusion of children and the elderly. Progress has been made in re-orienting social care to the most vulnerable groups in all three project pilot sites of Vukovar-Srijem, Split-Dalmatia, and Zadar counties.

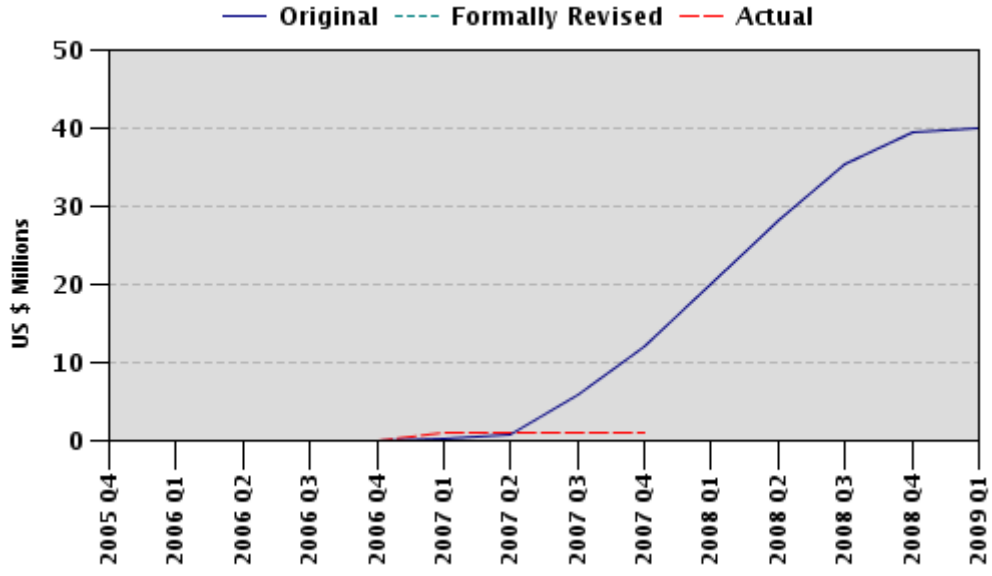
The Innovation and Learning Program to support innovative community care programs is also proceeding smoothly, and the number of applications received from communities exceeds expectations. In order to improve the overall quality of social services, the construction of new centers for social welfare in Osijek, Koprivnica, Vinkovci, Naice and Garenica, and the rehabilitation of five residential institutions have been initiated.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73070	Effective	41.84	1.01	40.77	0.00
UK-29810	Closed	0.71	0.56	0.00	0.01
JPN-26262	Closed	0.20	0.20	0.00	0.00
SIDA-56237	Effective	2.15	0.44	1.69	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Renewable Energy Resources (GEF) ( P071464 )  
**Country:** Croatia  
**Board Approval Date :** 06/23/2005  
**Closing Date :** 03/31/2010  
**Loan/Credit/Grant Number :** MULT-54973, MULT-51107  
**Sector(s):** Central government administration(55%), Renewable energy(45%)  
**Theme(s):** Climate change(P), Pollution management and environmental health(P), Regulation and competition policy(S), Law reform(S), Regional integration(S)

**Project Development Objectives:**

The development objective of the project is to help develop an economically and environmentally sustainable market for renewable energy resources in Croatia. Development of this market will support Croatia in its EU accession efforts. The project's global environment objective is to reduce greenhouse gas emissions by overcoming barriers to investing in renewable energy technologies.

**Progress toward achieving development objective(s):**

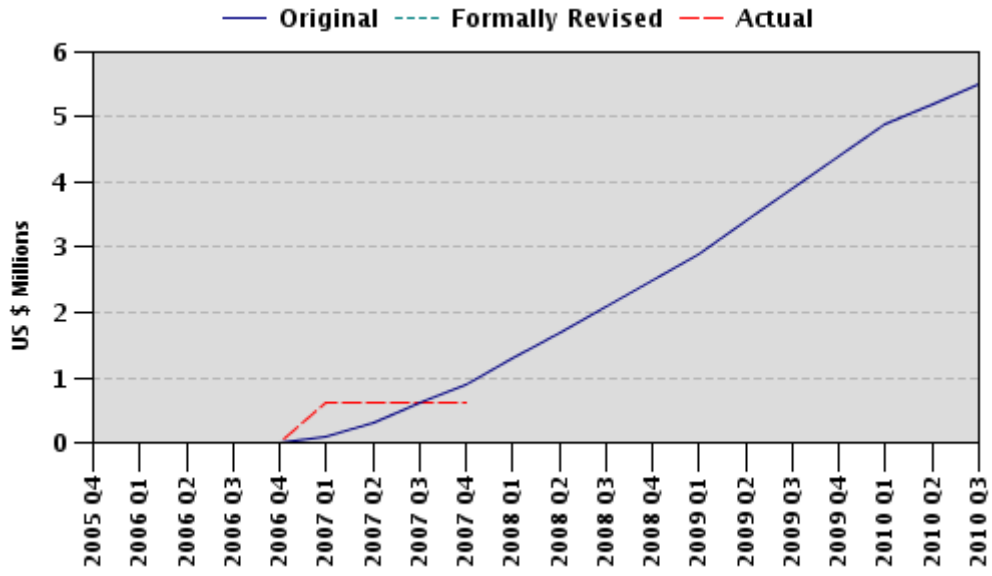
The project has made good progress toward meeting its key development objective in the FY07, although it is now several months behind the original implementation plan. A key step enabling faster development of the project has been the passing of the secondary legislation on renewable energy (feed in tariffs, minimal share of renewable energy, etc). The Market Framework Component has shown very good progress in its support to the Ministry of Economy and the distribution and transmission system operators. Streamlined procedures for renewable energy developers have been introduced. A Renewable Energy Advisory Facility has been established but is not yet fully functional. A Contingent Loan Facility to support mainly biomass projects has been prepared and it is expected to become operational in the second half of 2007.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-54973	Effective	5.50	0.55	4.95	0.00
MULT-51107	Closed	0.35	0.33	0.00	0.02



Status of Projects in Execution - FY07  
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**Project Name (ID):** Social and Economic Recovery ( P076730 )

**Country:** Croatia

**Board Approval Date :** 03/29/2005

**Closing Date :** 06/30/2009

**Loan/Credit/Grant Number :** JPN-50513, IBRD-72830

**Sector(s):** General public administration sector(32%), General industry and trade sector(23%), General agriculture, fishing and forestry sector(23%), Other social services(22%)

**Theme(s):** Conflict prevention and post-conflict reconstruction(P), Rural non-farm income generation(P), Small and medium enterprise support(S), Regional integration(S), Participation and civic engagement(S)

**Project Development Objectives:**

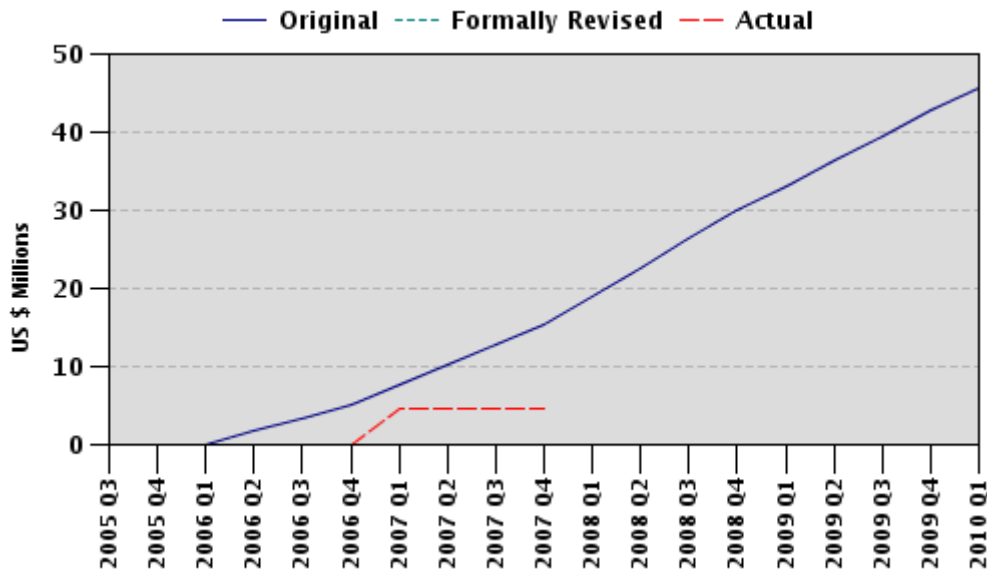
The project development objective is to support the economic and social revitalization of disadvantaged and war-affected areas as a way to increase social cohesion.

**Progress toward achieving development objective(s):**

Significant progress has been achieved in the last few months. Nevertheless, the overall project implementation is still lagging compared to where it should be, given the length of time since effectiveness. The team is currently focusing on finalizing the monitoring and evaluation plan and making it operational so that progress toward the development objective can be adequately measured.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-50513	Closed	0.43	0.40	0.00	0.03
IBRD-72830	Effective	47.24	4.49	42.52	0.00



**Project Name (ID):** Energy Efficiency ( P079978 )

**Country:** Croatia

**Board Approval Date :** 10/07/2003

**Closing Date :** 06/30/2010

**Loan/Credit/Grant Number :** IBRD-71980

**Sector(s):** District heating and energy efficiency services(100%)

**Theme(s):** Climate change(P), Infrastructure services for private sector development(S), Small and medium enterprise support(S), Conflict prevention and post-conflict reconstruction(S)

**Project Development Objectives:**

The objective of the project is to increase the demand for and supply of energy efficiency projects and services in Croatia.

**Progress toward achieving development objective(s):**

The project has made good progress toward meeting its key development objective in FY07. Disbursement is expected to pick up dramatically in FY08. HEP ESCO, the national electricity company (HEP)'s, subsidiary dedicated to energy efficiency projects, now has a forecasted sales volume higher than its target for the year; the average payback period is shorter than expected; and 24 out of 25 projects have reached financial closure.

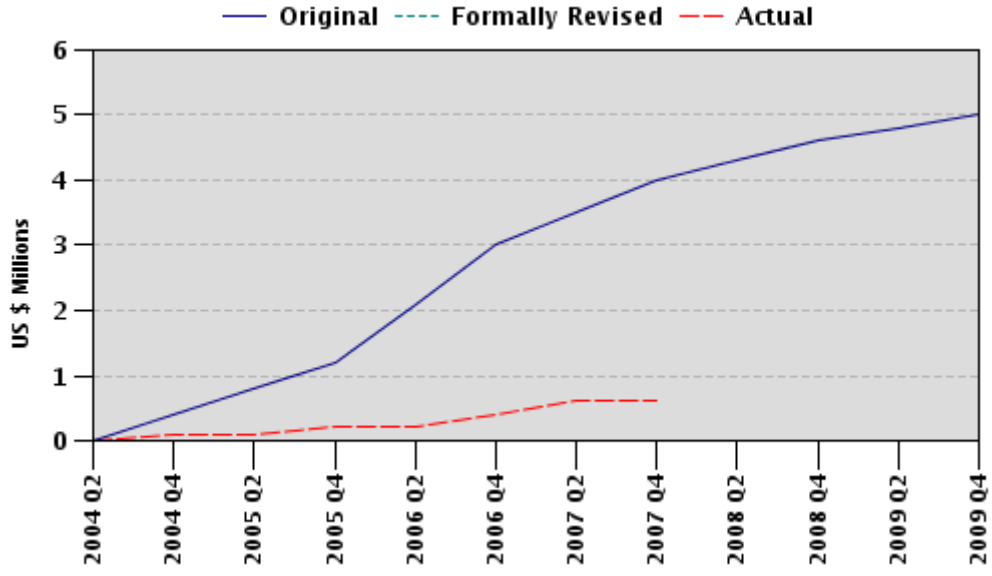
However, total sales remain considerably lower than the original estimates due to lower than expected sales volumes in the first two years of the project. A partial guarantee facility is under negotiation with five local banks as an important first step in providing a framework for other emerging service providers to tap into new energy efficiency business opportunities.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71980	Effective	5.94	0.65	5.23	0.00



Status of Projects in Execution - FY07  
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**Project Name (ID):** Science and Technology ( P080258 )

**Country:** Croatia

**Board Approval Date :** 07/07/2005

**Closing Date :** 11/30/2009

**Loan/Credit/Grant Number :** IBRD-73200

**Sector(s):** General industry and trade sector(85%), Central government administration(15%)

**Theme(s):** Infrastructure services for private sector development(P), Education for the knowledge economy(P), Small and medium enterprise support(S), Technology diffusion(S)

**Project Development Objectives:**

The objective is to strengthen and restructure selected research and development institutions to achieve higher levels of applied research, while maintaining their scientific excellence, and to increase the ability of enterprises to develop, use, adapt and commercialize technology.

**Progress toward achieving development objective(s):**

Progress is being made towards achieving the expected results, although the overall implementation remains significantly delayed as compared to the original schedule. Currently, two research institutions participate in the project. The Brodarski Institute is proceeding well in its restructuring in line with the new business model. The agency established by the Ruder Boskovic Institute for commercialization and technology transfer commenced its operations in March 2007. Both have commercially viable projects at different stages.

With regards to financing technology, the Business Innovation Center of Croatia launched its financing programs in February 2007, including RAZUM (development of knowledge based companies), SPREAD (research and development program), and technology center programs. The initiative to engage Croatian diaspora in the development of the Croatian National Innovation System (the Unity through Knowledge Fund) was launched in the Spring 2007.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73200	Effective	41.84	2.24	39.50	0.00



Status of Projects in Execution - FY07  
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**Project Name (ID):** Education Sector Development Program (CRL) ( P086671 )  
**Country:** Croatia  
**Board Approval Date :** 09/15/2005  
**Closing Date :** 03/31/2010  
**Loan/Credit/Grant Number :** IBRD-73320, JPN-53149  
**Sector(s):** Secondary education(45%), Primary education(40%), Central government administration(15%)  
**Theme(s):** Education for the knowledge economy(P), Administrative and civil service reform(S)

**Project Development Objectives:**

The development objective of the project is improved student learning and system performance.

**Progress toward achieving development objective(s):**

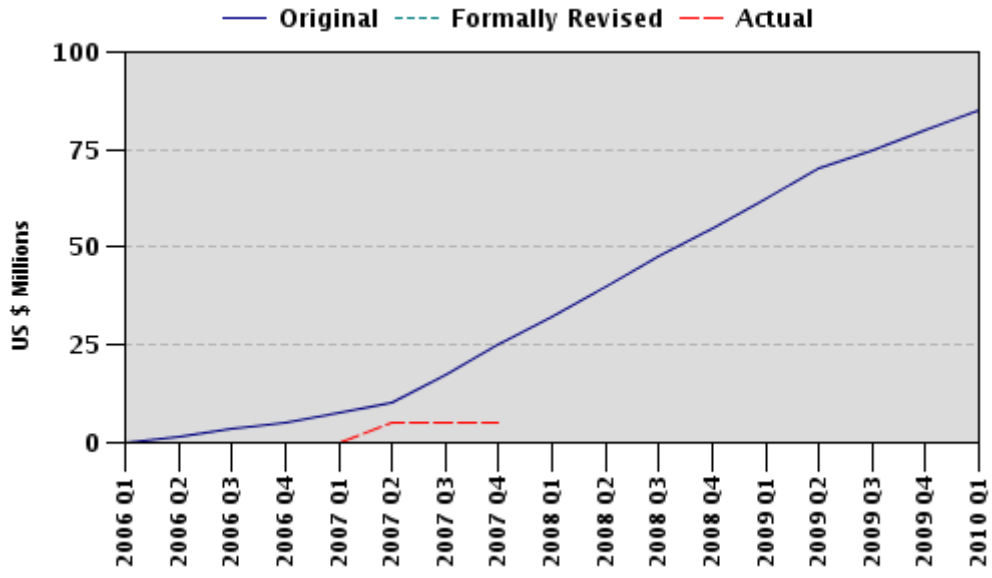
The project loan became effective 15 months ago. Since then, it has made good progress towards the project development objective, especially regarding Priority 1 (Enriching Classroom Practice) and Priority 2 (Improving Monitoring and Evaluation) by supporting the introduction of the Croatian National Educational Standards, related curricula reform, and initial steps towards the reform of teacher training. The list of selected schools (supporting Priority 4 - Supporting Local Developments and Innovation) to be rehabilitated under the project was established recently and procurement for the construction is due to start soon.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73320	Effective	91.51	5.31	85.84	0.00
JPN-53149	Closed	0.77	0.37	0.00	0.40



Status of Projects in Execution - FY07  
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**Project Name (ID):** Agriculture Acquis Cohesion ( P091715 )

**Country:** Croatia

**Board Approval Date :** 02/16/2006

**Closing Date :** 10/31/2010

**Loan/Credit/Grant Number :** NETH-56498, IBRD-P4180, IBRD-73600

**Sector(s):** Central government administration(50%), Agricultural extension and research(28%), Agricultural marketing and trade(22%)

**Theme(s):** Export development and competitiveness(P), Regional integration(P), Rural policies and institutions(S), Rural markets(S), Administrative and civil service reform(S)

**Project Development Objectives:**

The overarching objective of the project would be to enable Croatia's agricultural sector to capture benefits accruing from accession to the European Union.

**Progress toward achieving development objective(s):**

The project became effective in November 2006. Prior to project effectiveness, necessary project preparation activities were funded by an advance from the Project Preparation Facility.

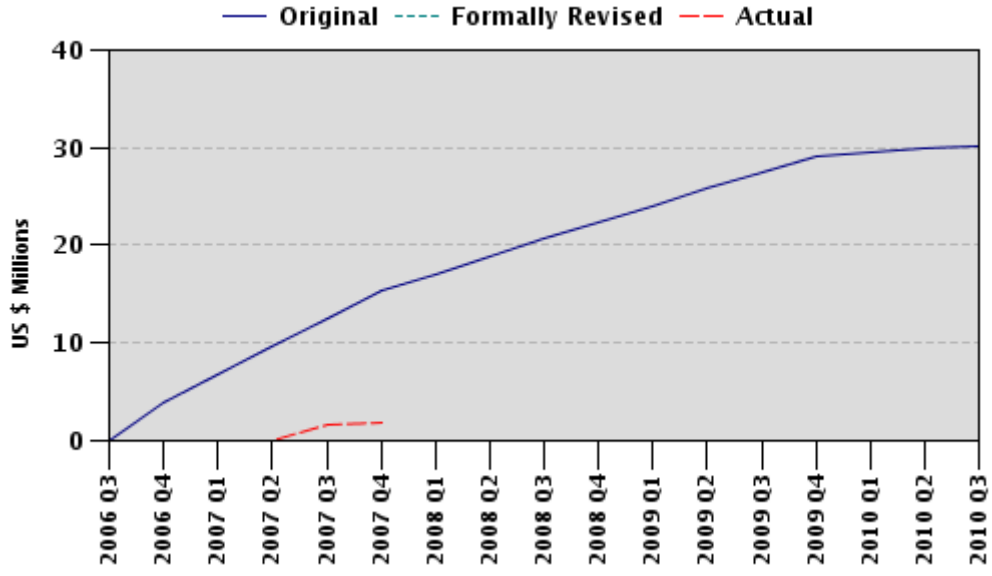
Although most of project activities are in their initial stage of implementation, a number of significant achievements were made in FY07. Technical assistance provided in areas of food safety, laboratory design, Instrument for Pre-Accession Rural Development (IPA-RD) planning, and payment agency establishment and procedure development has enabled the Ministry of Agriculture, Forestry and Water Management to meet EU inspection requirements in these fields. The design of the genetically modified organisms laboratory has been completed.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
NETH-56498	Effective	4.75	0.43	4.32	0.00
IBRD-P4180	Closed	1.85	0.00	0.00	1.85
IBRD-73600	Effective	34.42	1.92	32.47	0.00



Status of Projects in Execution - FY07  
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**Project Name (ID):** Trand and Transmission Integrity ( P093767 )

**Country:** Croatia

**Board Approval Date :** 11/14/2006

**Closing Date :** 12/31/2011

**Loan/Credit/Grant Number :** IBRD-74100, IBRD-P4220

**Sector(s):** Ports, waterways and shipping(95%), Railways(5%)

**Theme(s):** Infrastructure services for private sector development(P), Trade facilitation and market access(P), Regional integration(S)

**Project Development Objectives:**

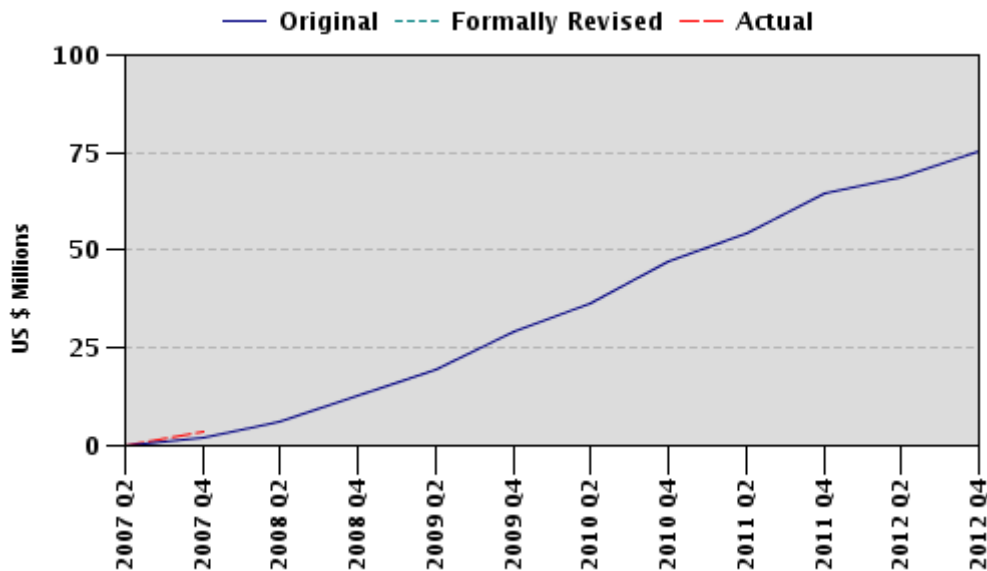
to develop trade along Corridor Vc by improving the capacity, efficiency, and quality of services on the southern end of Corridor Vc with particular focus on the port of Ploce and on coordination aspects among all corridor participants.

**Progress toward achieving development objective(s):**

The project loan became effective in March 2007. In FY2007, the following developments took place: (a) the government changed to the Law on Seaports, facilitating private sector participation; (b) traffic growth continued; (c) the customs service and railway agreed to simplify the transit procedure; and (d) preparatory civil works for the two new terminals started.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74100	Effective	79.37	3.73	75.63	0.00
IBRD-P4220	Closed	1.75	0.00	0.00	1.75



**Project Name (ID):** PAL 2 ( P094341 )

**Country:** Croatia

**Board Approval Date :** 05/30/2007

**Closing Date :** 06/30/2008

**Loan/Credit/Grant Number :** SIDA-56514, IBRD-74500

**Sector(s):** General public administration sector(40%), General industry and trade sector(20%), Railways(15%), Law and justice(15%), Compulsory health finance(10%)

**Theme(s):** State enterprise/bank restructuring and privatization(P), Public expenditure, financial management and procurement(P), Regulation and competition policy(S), Legal institutions for a market economy(S), Administrative and civil service reform(S)

**Project Development Objectives:**

The objectives are (a) to improve the investment climate, (b) to reduce the size and improve the efficiency of the public sector, and (c) implement structural and institutional reforms required for EU accession.

**Progress toward achieving development objective(s):**

The operation was approved by the Board on May 30 and the loan agreement was signed only on June 11, 2007. It is, therefore, too soon to report on results in meeting the development objectives.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
SIDA-56514	Effective	1.25	0.11	1.13	0.00
IBRD-74500	Not Effective	202.46	0.00	202.46	0.00



**Project Name (ID):** District Heating Project ( P095389 )

**Country:** Croatia

**Board Approval Date :** 06/20/2006

**Closing Date :** 06/30/2010

**Loan/Credit/Grant Number :** IBRD-48280

**Sector(s):** District heating and energy efficiency services(100%)

**Theme(s):** Other urban development(P), Infrastructure services for private sector development(P)

**Project Development Objectives:**

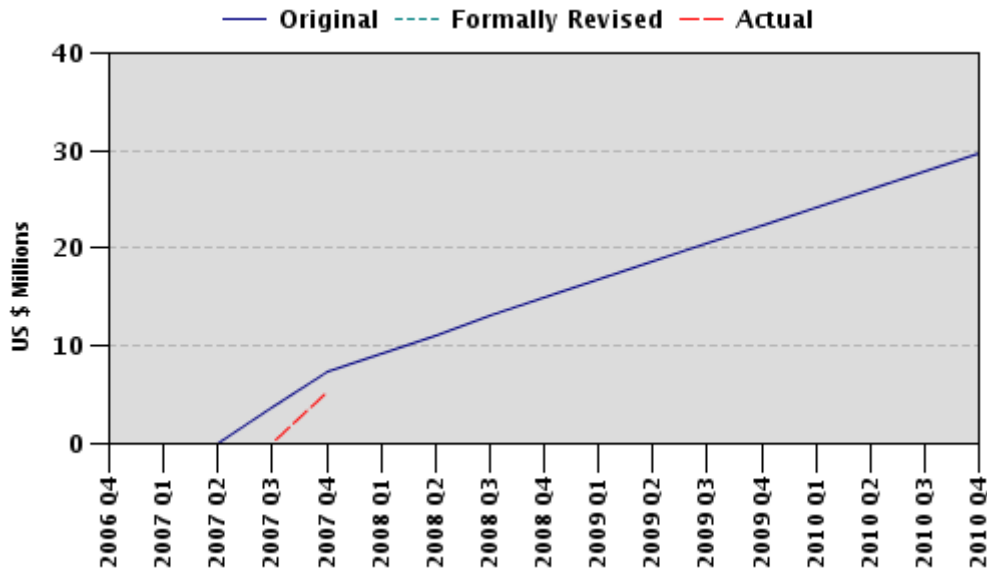
The project objective is to promote efficient operations by HEP Toplinarstvo (HEP T), the subsidiary of the national electric company (HEP) providing services in Zagreb and Osijek. This objective will be met by: reducing energy and water losses; increasing the profitability of HEP T; and increasing the level of customer satisfaction.

**Progress toward achieving development objective(s):**

The project loan became effective on March 9, 2007. As the project is in its early stages of implementation, information on outputs and outcome are not yet available. However, the government and the implementing entity fully support the project and pro-active actions have been taken by them to ensure effective implementation of the project so that the development objective is met.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48280	Effective	32.39	5.44	26.91	0.00



**Project Name (ID):** Inland Waters Project ( P098948 )

**Country:** Croatia

**Board Approval Date :** 05/30/2007

**Closing Date :** 12/31/2012

**Loan/Credit/Grant Number :** JPN-56572, IBRD-74530

**Sector(s):** Sewerage(53%), Water supply(34%), Flood protection(9%), Central government administration(4%)

**Theme(s):** Other urban development(P), Water resource management(P), Access to urban services and housing(P), Environmental policies and institutions(S), Regional integration(S)

**Project Development Objectives:**

The objective of the project is to improve water supply services, wastewater services, and flood protection measures in municipalities selected from the inland part of Croatia.

**Progress toward achieving development objective(s):**

The project loan has only recently been approved; thus, information on outputs and outcome are not yet available. However, the government and the participating municipalities are fully committed to implement the project in a timely manner and meet the project development objective.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-56572	Effective	0.50	0.25	0.25	0.00
IBRD-74530	Not Effective	134.98	0.00	134.98	0.00



**Project Name (ID):** Revenue Admin Modernization Project (RAMP) ( P102778 )  
**Country:** Croatia  
**Board Approval Date :** 06/28/2007  
**Closing Date :** 06/30/2013  
**Loan/Credit/Grant Number :** IBRD-P4320, IBRD-74710  
**Sector(s):** Central government administration(100%)  
**Theme(s):** Tax policy and administration(P), Administrative and civil service reform(S),  
Regional integration(S)

**Project Development Objectives:**

The development objective is to achieve further improvements in efficiency, taxpayer services, and tax compliance.

**Progress toward achieving development objective(s):**

The loan is not effective yet, as key conditions for effectiveness remain to be met. The Croatian Parliament passed the Law on Approval of the Loan Agreement on July 11, 2008. Supported by a World Bank Project Preparation Facility, the Croatian Tax Administration will be formulating a modernization strategy in the second half of 2007. The modernization strategy is a key effectiveness condition.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-P4320	Not Effective	0.75	0.00	0.75	0.00
IBRD-74710	Not Effective	67.49	0.00	67.49	0.00

