

**DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT**

**STRATEGY FOR CROATIA**

**REPORT ON THE INVITATION  
TO THE PUBLIC TO COMMENT**

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## ABBREVIATIONS AND ACRONYMS

AIP	Access to Information Policy
CSOs	Civil Society Organisations
DAI	Directive on Access to Information
EBRD	European Bank for Reconstruction and Development
PSDs	Project Summary Documents

## 1. INTRODUCTION

The objective of this Report is to summarise the key comments received from stakeholders during the consultation period on the Bank's Strategy for Croatia and provide the Bank's management responses.

In accordance with the EBRD Access to Information Policy (AIP), the draft strategy for Croatia was posted on the EBRD website for 45 calendar days, starting from 06 December 2022. The public was invited to comment on the draft strategy no later than 12 January 2023. The previous strategy was also made available on the EBRD website at <https://www.ebrd.com/croatia.html>.

Information about the public consultation process was posted on the EBRD's dedicated "Have your say" webpage, which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. Targeted notifications of the consultation process were sent to local and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country.

During the consultation period, two written comments have been received by the EBRD from an interested member of the public.

In line with the Bank's increased efforts to involve civil society at an early stage of country strategy development, the EBRD organised a consultative meeting with civil society organisations (in-person format) at the EBRD Zagreb Resident Office on 21 September 2022.

The objective of the meeting was to gather civil society's feedback during the preparatory phase for developing the draft strategy. Five CSO representatives from different civil society organisations participated in the consultation.

The EBRD was represented by the Head of Croatia, the Deputy Director for Country Strategy Coordination, as well as a Senior Banker, Regional Economist, the Country Strategy and the Civil Society Engagement teams.

The summary of the key messages and the list of CSO participants in the consultation process are provided in the Annex 1 to this Report.

## 2. SUMMARY OF PUBLIC COMMENTS AND STAFF RESPONSES

Comment	EBRD response
<p>“Reading the recent draft strategy, I just wonder if it is possible to further refine its risks of implementation (p.17) apart from PSDs or to include at least further options for information.”</p>	<p>The Access to Information Policy (AIP) and the Directive on Access to Information (DAI) set out the EBRD’s commitment to transparency, including disclosure of certain information on EBRD operations. These are part of the Bank’s accountability framework and set out the parameters for the Bank to disclose information about its activities.</p> <p>There are various ways EBRD communicates about its projects and work in general: the Bank has a number of important reporting and disclosure requirements related to operations which occur at specific stages of the project approval cycle in order to allow sufficient time for information to be made available to the public prior to approval and signing.</p> <p>In particular, these include disclosure of certain information about the project on the EBRD website (including PSDs, documents submitted to the Board of Directors for approval, environmental and social documents (as applicable), operation performance assessments and relevant updates).</p>
<p>It might also be interesting, to receive a publication date for this report: p. 26</p> <p><b><i>Freedom from harassment, intimidation and torture</i></b></p> <p>Constitutional guarantees against harassment, intimidation, and torture are in place and are upheld in practice. A delegation of the Council of Europe's European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) carried out a rapid reaction visit to Croatia from 10 to 14 August 2020, given the challenges the government was</p>	<p>The EBRD has updated the text based on the report of the CPT.</p>

facing in managing its extensive land borders and the high migration flows into the country. CPT examined the treatment and safeguards afforded to migrants, in particular along the border with Bosnia and Herzegovina. The report is forthcoming.	
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ANNEX 1

## EBRD Strategy for Croatia

### Consultation with civil society, 21 September 2022

The civil society representatives welcomed the presentation of the country strategy and expressed their general endorsement of the three priorities (1.Supporting private sector competitiveness through digitalisation and good governance, 2.Economic inclusion and growth, and 3.Green and sustainable development), emphasising that all EBRD country strategy priority areas are well aligned with Croatia's needs from the perspective of their organisations.

In their comments, the CSOs focused mostly on private sector competitiveness, market and administrative barriers, green economy transition, increased use of renewable energy, inclusion of women, youth and other underserved segments, employment opportunities and vocational training, digitalisation and strengthening stakeholder engagement.

- Supporting private sector competitiveness through digitalisation and good governance

According to the CSO representatives, there has been significant improvement in policy engagement with the government over the last four years – particularly when it comes to renewable energy – thanks to the EBRD's involvement. Nonetheless, CSO representatives consider that the public sector lacks the proper capacity to effectively deliver public services. Good cooperation between businesses and academia has also been highlighted.

- Economic inclusion and growth

Inclusion was another important area that the CSO representatives referred to, focusing particularly on education, youth employment, as well as vocational training required to meet labour market needs and tackle the workforce deficit.

- Green and sustainable development

Sustainability (nature, biodiversity, waste management) was another key area highlighted by the civic representatives. They highlighted the lack of capacity and understanding from the public sector to consider and adopt appropriate measures to address sustainability challenges. According to CSOs, there is also lack of understanding by the authorities on how to best use the EU funds from the Recovery and Resilience Plan. Rural and coastal areas are more vulnerable and lack basic infrastructure. There are also barriers when it comes to effective energy storage for households due to inadequate legislation. CSOs emphasised that very often the legislation is there, however it is not properly implemented.

### Summary of key messages from CSOs:

- Civil society organisations endorsed the Bank's Croatia strategy priority of supporting competitiveness through innovation, digitalisation and good governance. In particular, CSOs consider that the EBRD should support reforms aiming to remove market and administrative barriers for green innovation targeted at small and medium sized businesses.
- Civil society representatives further endorsed the Bank's focus on accelerating Croatia's green economy transition and its Paris alignment. CSOs welcomed the focus on increasing renewable energy capacity. However, CSOs underlined the need for green infrastructure investments in rural and coastal areas, where improvements are lagging behind.
- Civil society organisations, moreover, welcomed the Bank's strategy priority to increase resilience through inclusion and strengthened stakeholder engagement. CSOs highlighted the access to employment opportunities, skills and finance for underserved groups such as women, youth, refugees and other vulnerable groups, as an area they would like to see the Bank continue to focus.

#### LIST OF CSOs PARTICIPATING IN THE CONSULTATION PROCESS

1. Croatian Employers Association
2. Croatian Business Council for Sustainable Development & Solidarna
3. Udruga IKS
4. Renewable Energy Sources of Croatia (RES Croatia)
5. Pokret Otoka (Island Movement Association)