1 December 2025

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the seventh payment request submitted by Croatia on 25 July 2025, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 25 July 2025, Croatia submitted a request for payment for the seventh instalment of the non-repayable support and the third instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Croatia provided due justification of the satisfactory fulfilment of the 47 milestones and targets of the seventh instalment of the non-repayable support and the 6 milestones and targets of the third instalment of the loan support, as set out in Section 2(1)(7) and Section 2(2)(3) of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Croatia (hereafter 'the Council Implementing Decision' or 'the CID')[1].

For five targets covering a large number of recipients, in addition to the summary documents and official listings provided by Croatia, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

In its payment request, Croatia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Croatia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 53 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Croatia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes regulated professions, private investment promotion, research and development tax incentives, capital market development, water service consolidation, sustainable waste management, railway sector reform, state-owned enterprise reduction, state property management optimisation, anti-corruption and anti-money laundering measures, public procurement appeals, labour market inclusion for vulnerable groups, labour legislation improvements, pension reform, social benefits transparency, and sustainable construction practices. The milestones and targets also confirm progress towards the completion of investment projects related to digitalisation of government services for businesses, start-up and innovation funding, high voltage network upgrades, exploration of geothermal energy, transport reporting systems, railway and airport infrastructure improvements, agricultural public service digitalisation and traceability systems, tourism capacity strengthening, digitised recruitment for civil servants, digital interoperability, provision of e-public service including

[1] ST 10687/21; ST 10687/21 ADD 1 as amended by ST 15834/23: ST 15834/23 COR 1; ST 15834/23 ADD 1 REV 1; ST 14432/24; ST 14433/24; ST 9586/25; ST 9586/25 ADD 1; ST 14448/25; ST 14448/25 ADD 1.

mobile services, e-invoicing and VAT systems, court decision transparency, ethical management for civil servants, academic collaborations, social protection information, community-based services, landfill tax regulation, hydrogen development, strategic planning and regulatory training modules, and the digitalisation and integration of the social welfare system.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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Non-repayable support

Number and name of the Milestone: 3 Upgrading START systems

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

Qualitative Indicator: START platform with additional services upgraded

Time: Q4 2024

1. Context:

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 is expected to allow further integrating information about market entry and investment in Croatia, thereby improving data accuracy and accessibility and, consequently, policy design and implementation by the various levels of government administration. Finally, the aim is to improve the exchange of information and the consolidation of data in government administrations, with a view to implement the 'once-only' principle.

Milestone 3 relates to the upgrade of the digital platform for setting up limited liability corporations, called START platform, by digitising additional services. Milestone 3 is the second milestone of the investment, and it follows the completion of milestone 2. It will be followed by target 4 and milestone 5, related to physical set up of access points and the digitalisation of MINGOR targeted processes, respectively.

The first action included in the measure description – building on the existing digital platform called START for the setting up of limited liability corporations and allowing users to register new corporations online – and third action – simplifying and digitising the procedures related to the Law on Strategic Investment Projects, the Law on Investment Promotion and the Law on State aid for Research and Development Projects – , assessed herein, have a final expected date of completion on 31 December 2024. The second action, assessed previously and related to milestone 2, has a final expected date of completion on 30 June 2022.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.

2-12	Group of reports - Maintenance and Support Services of Information Systems	This group contains 11 monthly reports (covering December 2020 to January 2025) issued by the Croatian Financial Agency, each summarising the maintenance and support services performed on information systems during the specified month. While all reports cover standard maintenance activities such as software updates, infrastructure support, and user assistance, each report also outlines specific tasks performed in that month: • December 2020: Delivery of 5 application versions, cookie policy alignment, and amendment of craft business start date check. • February 2021: Removal of reserved IBAN display, refined login checks, and IT infrastructure performance improvements. • April 2021: E-service adaptation to new e-citizen interface and user/institution support. • May 2021: Windows server upgrade and START application certificate replacement. • September 2021: Network and Windows server upgrades, plus TAX Administration back-office migration. • September 2022: Preventive, corrective, and adaptive maintenance activities. • June 2023: Systemic status corrections to prevent duplicate registration withdrawals and a reduction in Craft service security level. • April 2024: Replacement of server certificate and data centre firewall upgrades. • October 2024: Software and equipment upgrades, hotfixes, and court registry database migration. • December 2024: Infrastructure and application system maintenance (START, JPPON, START PLUS), along with user and

		business operations support. • January 2025: START system updates (integration of bank_ZABA, business rule definitions, network testing) and START PLUS enhancements (Search Engine implementation and data reconciliation).
13	User manual for START Plus Application December 2024	This document shows a user manual for the START application, providing step-by-step instructions on how to use the application, including logging in, creating requests, uploading attachments, and submitting applications.
14	User manual for START Plus Application as an issuer October 2024	This document shows a user manual for the START application, providing step-by-step instructions on how to use the application, including logging in, creating requests, uploading attachments, and submitting applications.
15	User Manuel for START Plus application as a Start Plus issuer (module CMS) March 2025	This document shows a user manual for the START application, providing step-by-step instructions on how to use the application, including logging in, creating requests, uploading attachments, and submitting applications.
16-18	Group of Contracts – Maintenance and Support Agreements for START and Related Systems	This group consists of three contracts between the Ministry of Economy and the Croatian Financial Agency concerning the maintenance and support of the START system and its associated platforms. • Contract signed on 22 January and 4 February 2021: Covers maintenance of the START information system. • Contract signed on 19 July and 1 August 2022: Expands the scope to include both the START system and the Single Platform for the Payment of Compulsory Fees (JPPON). • Contract signed on 4 November 2024: Further extends coverage to include START, JPPON, and START PLUS, and includes annexes detailing pricing, contractual clauses, and a more comprehensive description of the maintenance and support services provided.

19	Contract for the maintenance and support of information systems START, JPPON, and START PLUS signed on 4 November	This document shows a contract for the maintenance and support of information systems, including START, JPPON, and Start PLUS. The contract was signed by the Ministry of Economy and the Financial Agency on 4 November 2024.
20	Contract for the establishment and support of an information system called START PLUS signed on 31 May 2023 and 5 June 2023	This document shows a contract for the establishment and support of an information system called START Plus, signed by the Ministry of Economy and the Financial Agency on 31 May 2023 and 5 June 2023.
21-23	Group of Handover Reports – Establishment and Expansion of the START PLUS System	This group includes three handover reports documenting the phased establishment and enhancement of the START PLUS information system, each signed by relevant parties and detailing specific implementation milestones. • Handover report signed on 11 July 2023: Reports the initial setup of the START PLUS system with the implementation of 3 additional licenses. • Handover report signed on 21 December 2023: Records the addition of 16 more licenses, delivered to production on 30 June 2023. • Handover report signed on 28 June and 9 August 2024: Documents the implementation of 1 additional license and the integration with eGOP, the Ministry of Economy's internal system.
24	Annex 1_Screenshots of START Plus	This document shows screenshots of the additional services provided by the platform START Plus.
25	Annex 2_Screenshots of Start Plus	This document shows screenshots of the step-by-step procedure of submitting a request for a license.
26	Functional specification of the START Plus system	This document outlines the system's functional requirements, features available to users, and technical specifications, providing an overview of the platform's capabilities.

27	Link to the START platform	https://start.gov.hr/st/index.html
28	Link to the START PLUS platform	https://start.gov.hr/start-plus/login/eng
29	On-the-spot check	The Commission services conducted an on-the-spot check on 21 May 2025 to verify the alignment of the handover reports and screenshots submitted for milestone 3 with the data from the upgraded START platform. This check was completed successfully, confirming that the upgraded START platform satisfactorily fulfils the requirements.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

The digital platform for setting up limited liability corporations, called START platform, shall be upgraded by digitising additional services for the purposes of registration (…)

The authorities provided evidence which demonstrates that under milestone 3 additional services have been digitised for the purposes of registration (licensing), as compared to the services which had been digitised in the context of milestone 2 (further explained in the next section). Specifically, evidence No. 21-23 shows the implementation of an additional 16 licencing procedures including:

- Licences for air quality monitoring activities,
- Licences to carry out activities for monitoring air pollutant emissions from stationary sources,
- Licences for performing the activity of testing of the correctness of the measuring system for continuous measurement of pollutant emissions into the air from stationary sources,
- Licences for quality assurance of air quality measurements and data,
- Licences to perform the activities of a real estate Brokerage agent,
- Licence to perform mediation activities in real estate transactions,
- Community licence to carry out the carriage of passengers in international road transport,
- Community licence to carry out the carriage of goods in international road transport by road,
- Request for registration of a new vehicle in international road transport,
- Request for deregistration of vehicles in international road transport,
- Licence for public transport of goods in domestic road transport,
- Licence for public transport of passengers in domestic road transport,

- Request for registration of a new vehicle in domestic road transport,
- Request for deregistration of vehicles in domestic road transport,
- Licence for specific forms of passenger transport in domestic road transport,
- Licence for car taxi transport

(…) and reporting and

The maintenance report from December 2020 (Evidence No. 2-12) introduced, as an additional service, the functionality to publicly disclose data on the total number of newly established companies and craft businesses in Croatia. Furthermore, two subsequent maintenance reports (Evidence No. 2-12) from February 2021 and April 2021 implemented modifications to the reporting module, enabling the generation of both standard and non-standard reports to meet the reporting requirements of system owners and other relevant stakeholders.

(…) the integration of existing start-up systems.

The integration of existing start-up systems was achieved by connecting the START platform with all relevant public administration databases and registries used in the business establishment process, ensuring that data exchanges are automated and consolidated within a single digital workflow. Through its integration with the Government Service Bus, the platform accesses alphanumeric data from the Register of Spatial Units, enabling automatic validation of address data during company registration. Additional integrations with the Tax Administration, the Ministry of the Interior, and the Register of Beneficial Owners allow newly submitted business information to be automatically transmitted, verified, and stored in a centralised and interoperable system (Evidence No. 2-12). Additionally, two banks were integrated into the platform—Raiffeisen Bank Austria in 2021 and Zagrebačka banka d.d. in 2025 (Evidence No. 2-12)—expanding user choice for opening transaction accounts.

Furthermore, the investment includes the following actions:

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.

The START platform (Evidence No. 27) enables online registration of new corporations in Croatia by providing a fully digital process where all administrative steps are completed through a single website. Users must have an accepted digital identity such as a Croatian e-ID or qualified electronic signature to access the platform, fill in the required business and shareholder details, upload or generate necessary documentation, and pay registration fees and capital electronically. Once all forms and payments are submitted online, the system automatically routes information to the relevant government authorities, eliminating the need for in-person visits or notarial certification for most users, and issues company registration numbers and certificates upon approval (Evidence No. 27).

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. (…)

To improve access and availability, in December 2020, START began publicly disclosing monthly data on the number of newly established companies and crafts in Croatia, accessible online (Evidence No.

2-12). In 2021, the reporting module was enhanced to generate both standard and non-standard reports, thereby improving the platform's reporting capabilities for system owners and other stakeholders (Evidence No. 2-12). That same year, a unified navigation bar was implemented, improving platform recognition and ensuring compliance with national e-service standards under the e-Citizens system (Evidence No. 4-12). In 2022, the platform was extended to allow Croatian citizens without permanent residence in the Republic of Croatia, but with valid short-term residence, to access its services (Evidence 2-12). In 2023, the required security level for credentials to initiate a craft business was lowered from "high" to "significant," facilitating access for a broader user base (Evidence No. 2-12).

As per the integration, as explained above, the integration of existing start-up systems was achieved by connecting the START platform with key public administration databases and registries, enabling automated data exchange and a single digital workflow. Through links with the Government Service Bus, the Tax Administration, the Ministry of the Interior, and the Register of Beneficial Owners, business information is automatically validated, transmitted, and stored in an interoperable system (Evidence No. 2-12).

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.

As explained above, new functionalities were introduced progressively by expanding access, enhancing reporting, and improving usability: START began publishing monthly establishment data (2020), upgraded its reporting module and introduced a unified navigation bar (2021), enabled access for users with short-term residence (2022), and lowered the credential security level required for launching a craft business (2023) (Evidence No. 2-12). Furthermore, the START platform was linked with key components of the business registry through its integration with the Beneficial Ownership Register and the Government Service Bus, enabling automatic data submission and validation within the company-registration process (Evidence No. 2-12).

The Commission services conducted an on-the-spot check (Evidence No. 29) on 21 May 2025 to verify the alignment of the handover reports and screenshots submitted for milestone 3 with the data from the upgraded START platform. This check was completed successfully, confirming that the upgraded START platform satisfactorily fulfils the requirements. The Croatian authorities demonstrated that the platform has expanded its functionalities by increasing the volume of services offered, improving access and system availability, and ensuring that all new business data are integrated into one database. In addition, the Commission verified that users must have an accepted digital identify such as a Croatian e-ID to access the platform. The Commission further reviewed several specific upgrades: the availability of standard and non-standard reporting tools, the implementation of a unified navigation bar within the e-Citizens system, integration with two new banks, the reduction in the required security level for initiating a craft business, the inclusion of a user satisfaction survey, a tax debt verification step prior to company registration, the addition of new licenses, and the possibility to register companies in the Beneficial Ownership Register.

(…) Third, a digital licensing platform (START Plus) shall be established (…)

The Contract on the establishment and support of the START Plus information system was signed by Ministry of Economy and Financial Agency on 5 June 2023 and 31 May 2023 (Evidence No. 21-23). The Financial Agency – being responsible for the regular maintenance and further development of the START system - conducted all contracted upgrades.

The START Plus licensing platform (Evidence No. 28) was launched in 2023 (Evidence No. 21-23) with the objective of fully digitalising the processes of submitting applications and issuing licenses required for conducting certain regulated business activities. START Plus streamlines and reduces the administrative burden of obtaining selected licenses by digitalising the entire procedure—from the submission of a license application, through its processing and approval, to the registration of the issued license in relevant databases and official registers as documented in the Handover Reports on the Establishment of the Information System START Plus (Evidence No. 24-26) and the User Manuals (Evidence No. 13-17). Currently, START Plus covers the issuance of permits for 20 business activities across areas such as climate change and ozone layer protection, air quality protection, international and domestic road transport, and real estate transactions (Evidence No. 24-26). The platform's core functionalities include the electronic submission of license applications (Evidence No. 15, 5.2 to 5.7), payment of necessary fees through the e-Toll system (Evidence No.15, p. 44, figures 72–73), and the electronic issuance of licenses (Evidence No.16, section 5.4.2).

(…) To increase the transparency of market entry conditions as well as the transparency of business regulations.

The START PLUS platform (Evidence No. 28) contributes to increased transparency of market entry conditions and business regulations by providing structured, accessible information on the procedures, requirements, and responsible authorities for a wide range of regulated activities. For each permit type, the platform outlines who is eligible to perform the activity, the legal basis for the regulation, and the documentation required for the application process (Evidence No. 28). Conditions such as professional qualifications, equipment standards, and financial capacity are explicitly stated, and references to relevant laws and ordinances are included (Evidence No. 28). Applications are submitted electronically, and supporting documents can be uploaded in digital form (Evidence No. 15). The platform also includes information on administrative fees, validity periods, and procedures for updating or revoking permits. By consolidating regulatory information and standardising application processes across sectors, START Plus facilitates access to relevant rules and procedures, supporting more transparent and predictable conditions for engaging in regulated business activities.

The milestone is further specified in the Operational Arrangements, which requires: Pursuant to the decision of the Government of the Republic of Croatia on determining the conditions, manner and deadlines for the regular operation of the START system from November 2018, the state-owned Financial Agency is responsible for the regular maintenance and further development of the START system. Consequently, all planned upgrades to the START system will be done by the Financial Agency.

The contract for the establishment and support of the START Plus information system was signed between the Ministry of Economy and the Financial Agency on 5 June 2023 (Evidence No. 21-23). The Financial Agency carried out all contracted upgrades, as documented in the handover records (Evidence No. 24–26), maintenance reports (Evidence No. 2–12) and the contracts (Evidence Nos. 18–23), which were all duly signed by the Financial Agency.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 4 Setting up physical access points to the START platform

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

Quantitative Indicator: Number

Baseline: 0

Target: 20

Time: Q4 2024

1. Context:

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 is expected to allow further integrating information about market entry and investment in Croatia, thereby improving data accuracy and accessibility and, consequently, policy design and implementation by the various levels of government administration. Finally, the aim is to improve the exchange of information and the consolidation of data in government administrations, with a view to implement the 'once-only' principle.

Target 4 relates to the setting up of physical access points to the START platform. Target 4 is the third target of the investment, and it follows the completion of milestone 2 and milestone 3. It will be followed by milestone 5, related to the 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).

The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	START Points Map	This document provides a map highlighting where each of the START points offices have been set up.
3	START Points pictures of locations	This document shows the pictures of the START points offices across 20 different locations.

4	Copy of the agreement on the establishment of physical access points	This document shows a copy of the signed contracts to set up physical access points across 20 locations. This document was signed on 28 February 2025 by the Financial Agency and the Ministry of Economy. All the corresponding contracts have also been signed by the Financial Agency.
5	Handover report on the establishment of the physical access points START Point	This document shows a summary of the service delivered by the Financial Agency. The service in question concerns the establishment of 20 physical access points. It was signed by the financial agency.
6	Confirmation of the takeover of the installation equipment of physical access points called 'START POINT'	This document shows a copy of the signed contracts to provide installation equipment for physical access points across 20 locations.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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. The target is further specified in the Operational Arrangements, which requires: **Physical access points to the START platform will be set in 20 different Financial Agency branches across Croatia. The exact locations are to be determined.**

An agreement was established and signed by the Financial Agency (hereinafter referred to as FINA) and the Ministry of Economy on 28 February 2025. The subject matter of this agreement is the establishment of locations, namely physical access points called START Point in FINA's offices (Evidence No. 4, Article 3, p.1,).

The authorities provided evidence that 20 new physical access points have been established in FINA branches across 20 different locations in Croatia (Evidence No. 2-3), ensuring broader territorial coverage and support for users of the START platform. These access points are located in Zagreb, Bjelovar, Varaždin, Zabok, Kutina, Karlovac, Čakovec, Osijek, Vukovar, Vinkovci, Slavonski Brod, Požega, Našice, Rijeka, Pula, Gospić, Split, Zadar, Šibenik, and Dubrovnik, supporting the measure's objective to improve access to digital public services by complementing online functionality with in-person assistance.

In particular, the locations of these access points are clearly mapped out in the START Points Map (Evidence No. 2), which highlights the geographical distribution of the START points offices across 20 different locations, including major cities such as Zagreb, Osijek, Rijeka, and Split. Visual evidence of the establishment of these access points is provided in the START Points pictures of locations (Evidence No. 3), which shows the physical presence of the START points offices in each of the 20 locations. The Handover report on the establishment of the physical access points START Point (Evidence No. 5) and the Confirmation of the takeover of the installation equipment of physical

access points called ‘START POINT’ (Evidence No. 6) demonstrate that all 20 access points have been equipped with necessary infrastructure, including desks, chairs, computers, roll-up banners, smart tab readers, and electrical protection system, and are now operational.

These START POINTS help increase the use of START platform and better integrate the processes that were initiated through the digital and physical platform by providing users who lack digital skills or technical prerequisites with informed access to the START platform, supported by on-site operational and technical assistance, secure computer workstations, and guidance through the full online company-registration process (Evidence No. 5-6). By enabling users to begin or complete registration procedures at a physical location while still relying on the digital platform, START Points bridge the gap between traditional counter services and the digital system, ensuring wider accessibility, smoother integration of physical and online processes, and overall higher uptake of the START service.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 5 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

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

Qualitative Indicator: Digitalisation of MINGOR targeted processes

Time: Q4 2024

1. Context:

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 is expected to allow further integrating information about market entry and investment in Croatia, thereby improving data accuracy and accessibility and, consequently, policy design and implementation by the various levels of government administration. Finally, the aim is to improve the exchange of information and the consolidation of data in government administrations, with a view to implement the 'once-only' principle.

Milestone 5 relates to the 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 the further digitalisation and networking of the Single Register of Enterprise Infrastructure (JRPI).

Milestone 5 is the fourth and last milestone of the investment, and it follows the completion of milestone 2, milestone 3 and target 4, related to the operational digital platform to pay fees, upgrading START systems, and setting up physical access points to the START platform, respectively.

The first and third actions included in the measure description, assessed herein, have a final expected date of completion on 31 December 2024. The first action focuses on enhancing the START digital platform for business registration by expanding its functionalities, integrating business data, and improving access through new physical access points and the development of a complementary digital licensing platform (START Plus). The third action aims to simplify and digitise procedures related to investment and state aid laws by implementing a digital platform for application submission and upgrading the existing enterprise database.

The second action, assessed previously and related to milestone 2, has a final expected date of completion on 30 June 2022. It involves creating a single digital fee platform to streamline the payment of the seven most common mandatory business charges, enabling online payments, form submissions, and deadline tracking.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description

1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Public procurement contract to develop a programming solution for managing application approval and monitoring processes use of incentives, state aid and support: e-Investments (e-investments)	This document shows a copy of a public procurement contract on the development of a programming solution for managing application approval and monitoring processes use of incentives, state aid and support: e-Investments (e-investments) signed between the Ministry of Economy and Ignitech Solutions d.o.o. on 29 April 2024.
3	Annex to the public procurement contract develop a programming solution for managing application approval and monitoring processes use of incentives, state aid and support: e-Investments (e-investments)	This document shows a copy of the annex of the public procurement contract on the development of a programming solution for managing application approval and monitoring processes use of incentives, state aid and support: e-Investments (e-investments) signed between the Ministry of Economy and Ignitech Solutions d.o.o. on 29 May 2025. It sets out a 6-phase plan over 14.5 months, covering software development, testing, and full implementation.
4	Public procurement contract on the development of a programming solution and support for the Single Register enterprise Infrastructures – JRPI	This document shows a copy of a public procurement contract on the development of a programming solution and support for the Single Register enterprise infrastructures, signed between the Ministry of Economy and IGEA d.o.o. on 14 October 2024.
5	Annex to the public procurement contract on the development of a programming solution and support for the Single Register enterprise Infrastructures – JRPI	This document shows a copy of a public procurement contract on the development of a programming solution and support for the Single Register enterprise infrastructures, signed between the Ministry of Economy and IGEA d.o.o. on 14 May 2025. It outlines a structured 6-phase implementation process including preparation, development, testing, data migration, training, and deployment.
6	Project plan for the development of a Programming Solution and Support for the Single Enterprise Infrastructure	This document shows a project management plan that outlines the scope, objectives, and approach for the development of a programming solution and support for the Single Enterprise Infrastructure Register – JRPI, including details on project organisation, risk management, quality management, and testing

	Register – JRPI	strategies. It was produced on 25 September 2024 from the Ministry of Economy and Igea d.o.o.
7	Technical specifications on the development of a software solution for managing application approval processes and monitoring the use of incentives, state aid and support e-Investments (e-investments)	This document shows technical specifications for a software solution to manage application approval processes and monitor the use of incentives, state aid, and support, produced by the Ministry of Economy of the Republic of Croatia in August 2023. The document outlines the requirements and functionalities of the software solution, including its development, implementation, and maintenance.
8	The functional specifications on the development of a software solution for managing application approval processes and monitoring the use of incentives, state aid and support e-Investments (e-investments)	This document shows functional specifications for the e-Investment system produced by the Ministry of Economy, specifically for managing application approval processes and monitoring the use of incentives, state aid, and support. The document was published in August 2023.
9	Complete Blueprint of the software solution (eJRPI)	This document shows the System of the Single Enterprise Infrastructure Register (JRPI), outlining its programming solution and functional characteristics. It was produced by IGEA, on November 28, 2024. The document provides a detailed description of the JRPI system, including its architecture, modules, and integration with other systems, as a guide for its implementation.
10	Project plan and complete blueprint solution for the for the development of a programming solution for managing application approval and monitoring processes use of incentives, state aid and support: e-Investments (e-investments)	This document shows the project plan for the e-Investment system. The document was produced by the Ministry of Economy, with the assistance of Ignitech.
11	Software solution architecture for the eJRPI	This document shows the system architecture of the Single Enterprise Infrastructure Register (JRPI), specifically detailing its software solution architecture. It

	system	was produced by IGEA, with the latest amendments made on 13 June 2025. The document provides an overview of the JRPI system's logical and physical architecture, as well as its database structure.
12	Software solution architecture management document for eJPRI system	This document shows a software solution management document for the Single Enterprise Infrastructure Register (JRPI) system, which outlines the system's configuration, parameters, and installation instructions. The document was produced by IGEA. The document was created on 2 June 2025, and version 1.0 was agreed and approved on 13 June 2025.
13	Software solution management document for eInvestments system	This document shows the technical documentation of the e-Investment System. The document was written by the Ministry of Economy.
14	Reporting specification for the eJRPI system	This document shows the report specification of the JRPI system and was written by MINGO and IGEA.
15-20	Handover Testing plans	These documents show testing plans for various components of the eJRPI and eInvestments with the handover plan for the former strategic investment projects, investment incentives, administration and system management, and R&D for the latter.
21-26	User manuals	These documents are user manuals and screenshots for different user roles, including administrators, editors, approvers, and applicants, for the eJRPI and eInvestments systems.
27	Handover report for the eJRPI system	This document shows a handover report for the eJRPI, signed by IGEA and the Ministry of Economy on 13 June 2025.
28	Handover report for the eInvestment system	This document shows the handover report for the eInvestment system, signed by Ignitech solutions and the Ministry of Economy on 1 July 2025
29	Link e-investment system	https://einvesticije.mingo.gov.hr
30	Link to e-JRPI system	https://jrpi.mingo.gov.hr/
31	Link to Law on Strategic Investment Projects (Zakon o strateškim investicijskim projektima Republike Hrvatske, Narodne novine 29/18, 114/18)	https://narodne-novine.nn.hr/clanci/sluzbeni/2018_03_29_584.html https://narodne-novine.nn.hr/clanci/sluzbeni/2018_12_114_2216.html

32	Link to Law on Investment Promotion (Zakon o poticanju ulaganja, Narodne novine 63/22, 136/24)	https://narodne-novine.nn.hr/clanci/sluzbeni/2022_06_63_906.html https://narodne-novine.nn.hr/clanci/sluzbeni/2024_11_136_2250.html
33	Link to Law on State Aid for Research and Development Projects (Zakon o državnoj potpori za istraživačko-razvojne projekte, Narodne novine 152/2024 i 64/2018)	https://narodne-novine.nn.hr/clanci/sluzbeni/2024_12_152_2519.html https://narodne-novine.nn.hr/clanci/sluzbeni/2018_07_64_1306.html
34	On-the-spot check	The Commission services conducted an on-the-spot check on 30 July 2025 to verify the operational functionality and alignment of the e-Investments platform and the JRPI system with the requirements set out for Milestone 5.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

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

The implementation of the milestone was divided into two parts, and two separate public procurement procedures have been conducted. The milestone has been fulfilled through the deployment of two dedicated IT systems: e-Investments (Evidence No. 29) and eJRPI (Evidence No. 30):

- The e-Investments platform (Evidence No. 29) is a digital system designed to manage the full lifecycle of applications for state incentives, aid, and support under Croatian investment laws. It allows businesses to apply, track, and report on financial support completely online, while enabling the Ministry of Economy and other institutions to evaluate, approve, monitor, and archive those processes efficiently.
- The e-JRPI platform (Evidence No. 30) is a centralised digital registry for collecting, managing, and publishing data on Croatia's entrepreneurial infrastructure, such as business zones and support institutions. It provides both a public portal for data browsing and a secure internal system for authorised users to update and approve information.

The public procurement contract for the development of the e-investments system was signed between the Ministry of Economy (hereinafter referred to as "MINGOR") and Ignitech Solutions d.o.o. on 29 April 2024 (Evidence No. 2).

The Law on on Strategic Investment Projects (Evidence No. 31) was published in the Official Gazette (NN 29/2018) on 28 March 2018 and entered into force on 5 April 2018. The Law on Strategic Investment Projects sets out a formal, multi-step administrative procedure: investors must submit a proper application with prescribed documents (Articles 7–9); MINGO must conduct administrative verification, request additions and obtain opinions from other authorities (Article 11); the Commission must assess and propose projects for listing (Article 10); the Operational Group must coordinate all administrative steps and prepare the list of required acts (Article 12); and the Government must issue a formal decision proclaiming the project strategic, including a full "hodogram" of procedures (Article 14). The e-Investment platform (Evidence No. 29) therefore digitises each of these statutory steps: it provides the online form through which investors submit the application and all required documents; it supports MINGO's legal duties under Article 11 by enabling administrative verification, issuing and tracking requests for additions, and gathering opinions; it records Commission and Operational Group activities as structured workflow steps; and it generates, routes and stores the Agreement and the Government decision with digital signatures (Evidence No. 21-26).

The Law on State Aid for Research and Development Projects (Evidence No. 33) was published in the Official Gazette (NN 64/2018) on 18 July 2018 and entered into force on 26 July 2018. Under the Act on State Aid for Research and Development Projects, beneficiaries must submit a formal Application for State Aid for an R&D Project before starting work (Article 18(1)–(2)), which the Ministry must verify through administrative checks and eligibility assessments before issuing a Certificate of Status of the Aid Beneficiary as the legal act granting aid (Articles 4(o), 5(3), 18(3)–(4)). eInvestment digitalises these steps by enabling fully online submission of applications and annexes and by providing structured evaluation workflows where MINGO staff and external experts conduct eligibility checks, request additions, and generate digitally signed certificates (user manual pp. 5–6, 29–30, 47–49). The Act also requires beneficiaries to file annual reports and obliges the Ministry to approve or revoke the right to aid based on those reports (Article 18(5)–(7)), and mandates the monitoring and calculation of maximum aid intensity (Article 19) and the recovery of aid when conditions are violated (Article 20). eInvestment digitises these obligations through its annual reporting (GI) and payment-request modules, automated aid-intensity calculations, and activities such as "GI approval" and "loss of status of aid beneficiary," all tracked with complete audit trails (Evidence No. 21-26).

The Law on Investment Promotion was published in the Official gazette (NN 63/2022) on 3 June 2022 and entered into force on 4 June 2022 (Evidence No. 32). It regulates the granting of state regional aid and tax incentives to encourage investments in Croatia, aiming to stimulate economic growth, increase employment, support sustainable and innovative projects, and enhance the competitiveness of Croatian entrepreneurship in line with EU state aid rules. Article 22 requires entrepreneurs to submit an application for approval of aid-beneficiary status or for the use of aid, before the start of the investment, and obliges the Ministry of Economy - together with the Ministry of Finance and other competent bodies - to check whether the application complies with the Act and to issue a certificate of beneficiary status within 60 days; it also mandates that a Government regulation define the content of the application, the documentation and the content of annual reports, and that beneficiaries submit yearly written reports on project implementation, eligible costs, use of incentives and preservation of investment and jobs. Accordingly, the eInvestment platform digitalises the operationalisation of these provisions: it provides a single information system for fully digitalising the process of granting and monitoring State aid and tax advantages for investment projects, allowing applicants to enter all project data and documentation in structured electronic forms and to submit the application digitally, as well as to track case status and receive

electronic notifications. The Ministry's examination of the application and issuance of the certificate foreseen in Article 22 are implemented through the platform's evaluation workflows: evaluators assess each tab and block of the application, record findings, request addenda, and then trigger activities such as "Maximum aid intensity" and "User status certificate", which generate the formal acts and certificates on the basis of configured templates and digital signatures. The ongoing reporting and supervision required by Article 22(3)–(4) and the monitoring and calculation of maximum aid intensity in Articles 21 and 24 are digitalised via the annual report and payment-request entities, where beneficiaries file annual reports and payment claims online and MINGO staff evaluate them using dedicated activities such as "GI approval" and "Loss of status of aid beneficiary" (Evidence No. 21-26).

(…) and further digitalisation and networking of the Single Register of Enterprise Infrastructure (JRPI).

The public procurement contract for the development of the JRPI system was signed between MINGOR and IGEA d.o.o. on 14 October 2024 (Evidence No. 4).

The JRPI system has been improved by introducing a series of digitalisation processes to support the monitoring of the creation and development of business zones and business support institutions, categorisation, data analysis and reporting (Evidence No. 6). Accordingly, the JRPI system now enables the digital registration, updating, and monitoring of business zones and entrepreneurial support institutions across Croatia. Key functionalities include centralised data entry with structured and free-text fields, GIS integration, and metadata capture for each institution such as area size, founding act, number of employees. The system also provides automated generation of analytical and statistical reports at municipal, county, and national levels (Evidence No. 14). These functionalities strengthen the networking of the JRPI by creating a fully interconnected digital environment in which all relevant institutions—MINGO, counties, cities and municipalities, business-zone operators and entrepreneurial support institutions—work within a single, shared system. Networking is achieved through a central electronic identification procedure, which link all user groups into one access framework; through centralised registers of zones and support institutions, where all actors enter and update data using harmonised code lists; and through interoperable approval workflows that route local submissions to county approvers and then to MINGO, ensuring coordinated, multi-level validation (Evidence No. 21-26).

The Commission services conducted an on-the-spot check (Evidence No. 34) on 30 July 2025 to verify the operational functionality and alignment of the e-Investments platform and the JRPI system with the requirements set out for Milestone 5. This check was completed successfully, confirming that the digital systems enable the submission, approval, and monitoring of strategic investments, investment incentives, and R&D state aid, as well as the digital registration and tracking of entrepreneurial zones and support institutions, in line with the relevant legislative and functional criteria.

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.

The implementation of the e-Investments and e-JRPI platforms has significantly simplified and digitalised procedures governed by the Law on Strategic Investment Projects, the Law on Investment Promotion, and the Law on State Aid for Research and Development Projects, while also enhancing the electronic enterprise database established under the Enterprise Infrastructure Improvement Act.

The e-Investments platform (Evidence No. 29) enables the complete digital management of applications for strategic projects, investment incentives, and R&D state aid—from submission to approval and monitoring—through secure, role-based workflows and automated reporting functionalities, all integrated with national authentication systems. Simultaneously, the e-JRPI platform (Evidence No. 30) provides a centralised digital registry for entrepreneurial infrastructure, allowing real-time registration, updating, and GIS-based visualisation of business zones and support institutions. Together, these systems reduce administrative burdens, eliminate paperwork, improve transparency, thereby simplifying procedures.

The milestone is further specified in the Operational Arrangements, which requires: **The project will be procured.**

A public procurement contract for the development of the e-Investments system was signed between the Ministry of Economy and Ignitech Solutions d.o.o. on 29 April 2024 (801/02-23/19JN) (Evidence No. 2), with a subsequent annex detailing update signed on 29 May 2025 (Evidence No. 3). Similarly, the JRPI system was procured through a public contract signed with IGEA d.o.o. on 14 October 2024 (801/02-24/22JN) (Evidence No. 4), followed by an annex signed on 14 May 2025 (Evidence No. 5). These contracts confirm that both projects were formally procured in accordance with the milestone requirement and Croatian public procurement regulations.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 10 Implementation of the first set of measures set out in the new/fifth Action Plan for administrative burden relief for entrepreneurs

Related Measure: C1.1.1 R1-I2 Continuing administrative and fiscal burden relief

Quantitative Indicator: Number (EUR)

Baseline: 0

Target: 132722808

Time: Q4 2024

1. Context:

This investment supports the reform of the business environment aiming to reduce administrative and fiscal burden on businesses. It requires implementation of simplification and digitalisation measures leading to a more favourable administrative and legal environment with lower administrative costs for entrepreneurs.

Target 10 requires implementation of the first set of measures in the new/fifth action plan, leading to a reduction of administrative burden on entrepreneurs by at least EUR 132 722 808. This is achieved through optimisation and digitalisation of administrative processes identified as the most burdensome for the private sector.

Target 10 is the fifth step in the implementation of the investment, and it follows the completion of target 6, target 7, milestone 8 and target 9. The aforementioned targets focus on reducing administrative cost by removing or lowering administrative charges and by simplifying and digitalising procedures for businesses. Milestone 8 focuses on better regulation for businesses, by digitalising regulatory impact assessment procedures. Target 10 will be followed by target 11, related to the implementation of the second set of measures in the new/fifth action plan.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled, including: - Annex I - Explanatory report justifying how the Action plan measures have been established in cooperation between the Ministry of Economy and Sustainable Development and the Central State Office for the Development of the Digital Society and - Annex II - Justification for the implementation of each specific Action plan measure

2	Copy of the Action Plan for administrative burden relief for entrepreneurs for 2024 and 2025	This document contains the list measures to be completed, the responsible competent authorities, and the planned amount of administrative cost reduction for each measure.
3	Copy of the Government decision on the adoption of the Action Plan for administrative burden relief for entrepreneurs for 2024 and 2025, adopted on 28 March 2024, published in the Official Gazette (38/2024) on 29 March 2024 and entered into force on the date of adoption	The act of adoption of the Action plan, published at https://narodne-novine.nn.hr/clanci/sluzbeni/full/2024_03_38_604.html
4	Handover reports and Standard Cost Model calculators for administrative procedures: - 10 Request for insight into registration and deregistration data of the contribution payers - 11 Request for the issuance of the certificate of first employment and -12 Submission of request for issuance of the transferable document A1	These documents show the implementation of Action Plan measures under the competence of the Croatian Pension Insurance Institute and the amount of administrative burden relief achieved by implementing each measure
5	Handover reports and SCM calculators for administrative procedures: - 13 The procedure for extending the validity of a vehicle registration certificate - 14 The procedure for the first registration of a vehicle (new or used) and the procedure for changing ownership	These documents show the implementation of Action Plan measures under the competence of the Authorities responsible for vehicle registration and the amount of administrative burden relief achieved by implementing each measure
6	Handover reports and SCM calculators for administrative procedures: - 15 Submission of a request for registration of active substance - 16 Submission of a request for registration of plant	These documents show the implementation of Action Plan measures under the competence of the Ministry of Agriculture and the amount of administrative burden relief achieved by implementing each measure

	protection product - 17 Submission of a request for registration of an authorized institution for the implementation of training - 18 Submission of a request for registration of a lecturer - 19 Submission of a request for training in safe use of pesticides - 20 Submission of a request for registration of distributors of pesticides - 21 Submission of a request for authorization of testing station - 22 Submission of a request for registration of treating service providers - 23 Digital delivery of annual sales of PPP to end users - 27 Submission of a request for lease on agricultural land - 28 Submission of a request for sale of agricultural land - 29 Submission of a request for change of data and deletion of users from the Central Hunting Register - 30 Submission of a request for entry of data into the Central hunting register - 36 Submission of a request for remittance of trees - 37 Submission of a request for a bill of landing - 38 Submission of a request for a bill of landing for Christmas trees - 57 Submission of a request for approval of veterinary organization/ praxis - 59 Submission of a request for the appointment / dismissal of authorized veterinarians - 61 Submission of a request for registration of transporters of dogs, cats	

	and domestic ferrets - 62 Submission of a request for registration of pet shops - 63 Submission of a request for approval of animal shelters - 64 Submission of a request for registration in the Pet Registry - 65 Submission of a request for registration of the breeding of pets for sale - 66 Submission of a request for approval of centers for dogs, cats and domestic ferrets	
7	Handover reports and SCM calculators for administrative procedures: - 73 Digitalisation of the process of submitting a request for the issuance of a permit for the special transportation of cargo on roads - 74 Enabling the electronic registration of the start of special transportation of cargo on roads	These documents show the implementation of Action Plan measures under the competence of the Ministry of Sea, Transport and Infrastructure and the amount of administrative burden relief achieved by implementing each measure
8	Handover reports and SCM calculators for administrative procedures: - 83 Digitalisation of the process of obtaining a license to perform mediation activities in real estate transactions - 84 Digitalisation of the registration process in the Directory of Real Estate Agents - 85 Digitalisation of the process of obtaining a licence for the performance of air quality monitoring activities - 86 Digitalisation of the process of obtaining a licence for monitoring air pollutant emissions from	These documents show the implementation of Action Plan measures under the competence of the Ministry of Economy and Sustainable Development and the amount of administrative burden relief achieved by implementing each measure

	stationary sources - 87 Digitalisation of the process of obtaining a licence for the performance of quality assurance activities of air quality measurements and data - 88 Digitalisation of the process of obtaining a licence to perform the activities of testing the correctness of the measurement system for the continuous measurement of pollutant emissions into the air from stationary sources	
9	Handover reports and SCM calculators for administrative procedures: - 89 Digitalisation of administrative procedure of the family farm deregistration from the Register of Family Farms - 90 Digitalisation of the procedure for receiving, controlling and approving IAKS measures - 91Completing and submitting a request for registration of agricultural land in electronic form - 92 Completing and submitting a request for registration of agricultural producers in electronic form - 93 Completing and submitting a request for entry/change of data in the Register of Family Farms in electronic form - 95 Digitalisation of filling out and submitting a request for grants in electronic form	These documents show the implementation of Action Plan measures under the competence of the Paying Agency for Agriculture, Fisheries and Rural Development and the amount of administrative burden relief achieved by implementing each measure
10	Methodological Cover note	This document sets out the OECD guidelines for a standardised application of the Standard Cost Model, and the Adjustment of the standardized model to the Croatian context
11	Excel overview of the Action	This document shows a list of implemented Action plan

	plan measures under target 10	measures counting towards target 10 and the cumulation of administrative burden relief achieved through their implementation
12	Operational Update on the Project "Advancing Regulatory Policy in Croatia through Innovation and Digitalisation", Q3 2022	This document shows the inception work on the development of the Action plan in cooperation with the OECD
13	Operational Update on the Action "Advancing Regulatory Policy in Croatia through Innovation and Digitalisation", Q1 2023	This document shows the first phase of consultations and preparatory work on the identification of the measures for the Action plan in cooperation with the OECD
14	Operational Update on the Action "Advancing Regulatory Policy in Croatia through Innovation and Digitalisation", Q2 2023	This document shows the second phase of consultations and preparatory work on the identification of the measures for the Action plan in cooperation with the OECD

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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.

The new Action Plan for administrative burden relief for entrepreneurs (Evidence No. 2, hereinafter referred to as "the Action Plan") was adopted on 28 March 2024 by a decision of the government, published in the Official Gazette (38/2024) (Evidence No. 3).

The mapping of procedures to identify the most burdensome regulatory areas in Croatia was undertaken in 2023, prior to the adoption of the Action Plan, in the framework of a technical support instrument project to advance regulatory policy in Croatia through innovation and digitalisation, implemented by the OECD (Evidence No. 12). The OECD assisted the authorities in identifying the most burdensome regulatory areas in Croatia and estimating the administrative burdens of the associated administrative procedures (Evidence No. 13).

Following on consultations with the stakeholders and benchmarking against international best practices on optimisation, digitalisation and burden reduction, selected administrative procedures were identified for inclusion in the Action Plan (Evidence No. 14). The measures focus on agriculture, tax policy, transport, tourism, regulations governing economic operations, licensing and the pension system, and consist of digitalisation of broad-based obligations for businesses in these areas.

The Action Plan continues on the administrative burden reduction achieved through digitalisation and optimization of administrative processes identified as the most burdensome for the private sector in the framework of the Action Plans to alleviate the administrative burden on the economy 2018, 2019 and 2020, which were implemented as part of a previous target.

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.

The implementation of planned measures results in administrative burden relief, as demonstrated through a methodology of calculating the achieved burden reduction which takes into account improvements in the legal and administrative environment for businesses through simplification or reduction in charges (Evidence No. 4 – 9). Specifically, the administrative burden measurement was conducted in line with the guidelines of the OECD for the application of the standard cost model methodology (SCM). The SCM calculates the annual administrative cost of a business obligation for the economy (such as filing a report), before and after improvements, by taking into account the average cost of similar activities and the number and frequency of fulfilling the administrative obligation in question. The methodology quantifies the administrative burden relief by assigning cost to individual administrative activities undertaken to meet an administrative obligation, such as drafting a technical document or obtaining documents issued by authorities, and showing the reduction in cost achieved through simplification (Evidence No. 10).

The completion of each planned measure is demonstrated through a handover report that covers the digitalisation actions that have been executed to implement the measures for administrative burden reduction, as specified in the Action Plan (Evidence No. 4 - 9). The specific improvements to administrative procedures are further described in a justification of the cost reduction achieved, available for each measure. Finally, screenshots and web links to IT tools are provided for illustrative purposes (Evidence No. 1, Annex II). In particular, the following simplifications are achieved:

- Measures implemented by the Croatian Pension Insurance Institute reduced administrative burdens by a total of EUR 10 241 323.99 (Evidence No. 1, Annex 2 and Evidence No. 4). Pension insurance contributors obtained direct insights into the pension insurance database, leading to burden reduction and cost savings (measure 10). The process of obtaining a certificate of first employment, required of employers, was simplified and accelerated (measure 11). A further simplification is achieved for business entities and the administrators by enabling electronic submission of a form related to work contribution calculations (measure 12).

- Measures implemented by the authorities for vehicle registration reduced administrative burdens by a total of EUR 21 054 433.53 (Evidence No. 1, Annex 2 and Evidence No. 5). The administrative cost reduction results from digitalisation of vehicle registration and ownership procedures (measures 13 and 14).

- Measures implemented by the Ministry of Agriculture reduced administrative burdens by a total of EUR 128 114 973.87 (Evidence No. 1, Annex 2 and Evidence No. 6). This was achieved through the upgrade to the phytosanitary information system which focused on a number of registration procedures required on the phytosanitary market, including plant protection products (measures 15 and 16), provision of training in phytosanitary safety matters (measures 17 – 19), product distribution and testing (measures 20 and 21), service provision (measure 22) and annual sales to end users (measure 23). Furthermore, cost savings were achieved by streamlining or enabling procedures through the central agricultural portal, resulting in improvements, in particular:
    - more efficient sale and lease of agricultural land under state ownership through digitalisation of tendering procedures, including registration of interested parties, evaluation of tenders, and creation of sales contracts (measures 27 and 28);
    - enabling direct user data entry in the central hunting register as well as removing data obligations through interoperability features (measures 29 and 30);

- facilitating forest management and related commercial activities, such as required interventions and transport of material (measures 36 – 38);
- enabling digital registration of veterinary and animal services (measures 57, 59, 61-66).

- Measures implemented by the Ministry of the Sea, Transport and Infrastructure reduced administrative burdens by a total of EUR 34 847 295.13 (Evidence No. 1, Annex 2 and Evidence No. 7). The submission of a request for issuance of a road permit for special transportation of cargo was shortened and facilitated through a user-friendly interface making available real-time information for stakeholders in cargo transport and enabling cooperation on the management of vehicle fleets (measure 73). Electronic registration of starting special transportation of cargo on roads was facilitated (measure 74).

- Measures implemented by the Ministry of Economy and Sustainable Development reduced administrative burdens by a total of EUR 17 649.68 (Evidence No. 1, Annex 2 and Evidence No. 8). The licensing and registration for real estate brokers are facilitated and shortened through integration of the document exchange and validation service for businesses with the state administration platform (measures 83 and 84). Licensing related to environmental protection through monitoring and analysis of air quality and emissions was also made more efficient in the scope of this digitalisation (measures 85 – 88).

- Measures implemented by the Paying Agency for Agriculture, Fisheries and Rural Development reduced administrative burdens by a total of EUR 12 677 968.75 (Evidence No. 1, Annex 2 and Evidence No. 9). This includes facilitating the processing of payments in agriculture, through digitalisation of registration procedures for entities and land assets (measures 89, 91, 92 and 93) and enabling requests and approvals for payments through the integrated system (measures 90 and 95).

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 2024-2025 Action Plan (Evidence No. 2) contains 103 planned measures which, when completed, represent administrative relief in the amount of EUR 364 090 153.24. This Action plan is implemented in two steps: target 10 is the first step and target 11 is the second step.

The authorities provided evidence of completion of 43 planned measures from the Action Plan counting towards target 10. The completion of these 43 measures, described above, resulted in a reduction in administrative cost for entrepreneurs amounting to EUR 206 953 644.95 by the end of 2024, as demonstrated through a dedicated SCM calculator for each of the 43 measures showing the number of affected subjects, frequency of the obligation, and its unit cost, in line with the Standard Cost Model methodology (Evidence No. 4 – 9).

The implementation of 43 measures, resulting in the administrative burden relief in the amount of EUR 206 953 644.95, consists of the following amounts of administrative burden relief by competent authority:

- EUR 10 241 323.99 through the implementation of three measures under the competence of the Croatian Pension Insurance Institute (Evidence No. 4);
- EUR 21 054 433.53 through the implementation of two measures under the competence of the authorities for vehicle registration (Evidence No. 5);

- EUR 128 114 973.87 through the implementation of 24 measures under the competence of the Ministry of Agriculture (Evidence No. 6);
- EUR 34,847,295.13 through the implementation of two measures under the competence of the Ministry of the Sea, Transport and Infrastructure (Evidence No. 7);
- EUR 17,649.68 through the implementation of six measures under the competence of the Ministry of Economy and Sustainable Development (Evidence No. 8) and
- EUR 12,677,968.75 through the implementation of six measures under the competence of the Paying Agency for Agriculture, Fisheries and Rural Development (Evidence No. 9).

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.

The Decision on adoption of the Action plan (Evidence No. 3) appoints the Ministry of Economy and Sustainable Development as the coordinating body for the implementation of the Action Plan. As from 2024, it has been renamed the Ministry of Economy, as the competences for sustainable development had been transferred to a separate ministry. The Central State Office for the Development of the Digital Society merged into a newly formed Ministry, Ministry of Justice, Public Administration and Digital Transformation of the Republic of Croatia, tasked with digital transformation (Evidence 1, Annex 1). The Central State Office and its successor supported the Ministry of Economy in digitalisation and modernisation of public administration, including measures in the Action plan. Specifically, it provided expert advice and technical support in the implementation of digital solutions to adapt administrative processes to the digital environment. (Evidence No. 1, Annex I).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 12 Simplification or removal of at least 50 regulatory requirements for professional services

Related Measure: C1.1.1 R2 Continuing the reform of regulated professions

Quantitative Indicator: Number

Baseline: 250

Target: 300

Time: Q4 2024

1. Context:

The objective of the reform is to boost productivity in the Croatian economy through the continuation of the liberalisation of services markets. The reform 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.

Target 12 is the only target of this reform with an expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	A copy of the adopted Third Action Plan on the liberalisation of services markets	
3	Overview of target measures	An excel spreadsheet listing target measures and evidence of implementation.
4	A copy of Amendments to the Tax Consultancy Act, *Zakon o izmjenama i dopunama Zakona o poreznom savjetništvu* adopted on 28 September 2023, published on 4 October 2023 in the Official Gazette (No. 114/23) and entered into force on 1 January 2024 in	Evidence on the implementation of measures 1 – 6 and 13 – 17, concerning tax

	accordance with Article 12 (https://narodne-novine.nn.hr/clanci/sluzbeni/2023_10_114_1615.html): - Measure 1 - Article 4, paragraph 1 - Measure 2 – Article 7, paragraph 6 - Measure 3 – Article 7, paragraph 1 - Measure 4 – Article 3, paragraph 1 - Measure 5 – Article 2, paragraph 1 - Measure 6 – Article 10 - Measure 16 – Article 5, point 1 - Measure 17 – Article 5, point 2 A copy of the Amendments to the Ordinance on the rules of procedure and conditions for passing the exam for tax advisers, *Pravilnik o izmjenama i dopunama Pravilnika o postupku i uvjetima polaganja ispita za poreznog savjetnika*, adopted on 3 December 2021, published on 17 December 2021 in the Official Gazette (No. 139/21) and entered into force on 1 January 2021 in accordance with Article 8 (https://narodne-novine.nn.hr/clanci/sluzbeni/2021_12_139_2360.html) - Measure 13 - Article 3, point 1 - Measure 14 – Article 5, paragraph 1, point 3 - Measure 15 – Article 5, point 1	advisory services.
5	A copy of the Audit Act, *Zakon o izmjenama i dopunama Zakona o reviziji*, adopted on 28 February 2024, published on 6 March 2024 in the Official Gazette (No. 27/24) and entered into force on 14 March 2024 except Articles 21 and 22 which entered into force on 1 January 2025, in accordance with Article 49 *(*https://narodne-novine.nn.hr/clanci/sluzbeni/2024_03_27_402.html*)* - Measure 7 - Article 12 - Measure 8 – Article 6, paragraph 8, point 2 - Measure 9 – Article 14 - Measure 19 – Article 7 - Measure 20 – Article 6 - Measure 21 – Article 7 A copy of the Amendments to the Decision on the contribution rate and the amount of the membership fee to the Croatian Chamber of Auditors, *Odluka o izmjeni Odluke o stopi doprinosa i iznosu članarine Hrvatskoj revizorskoj komori*, adopted on 14 December 2021, published on 14 January 2022 in the Official Gazette (No. 6/22) and entered into force on 15 January 2022 in accordance with section V. (https://narodne-novine.nn.hr/clanci/sluzbeni/full/2022_01_6_60.html) - Measure 18 – section II.	Evidence on the implementation of measures 7 – 9 and 18 – 21, concerning auditors.
6	A copy of the Decision on administrative fees of the Croatian Chamber of Architects, *Odluka o administrativnim naknadama HKA,* adopted on 13 December 2024, entered into force on 1 January 2025 and published on the official website, in accordance with Article 5 (https://www.arhitekti-hka.hr/files/images/komora/Skup%C5%A1tine/	Evidence on the implementation of measures 11, 12, 22, 27 – 30, 41 and 42, concerning architects and engineers.

	Odluka%20o%20administrativnim%20naknadama%20HKA_2025.pdf) - Measure 11 – tariff no. 15 A copy of the Amendments to the Decision on fees of the Croatian Chamber of Electrical Engineers, *Odluka o izmjeni Odluke o naknadama za usluge koje pruža Hrvatska komora inženjera elektrotehnike,* adopted on 30 March 2023, entered into force on 3 April 2023 and published on the official website, in accordance with Article 2 (https://www.hkie.hr/akti-komore/odluke) - Measure 12 – Article 1, point 3, tariff No. 19 A copy of the Amendments to the Decision on fees of the Croatian Chamber of Construction Engineers, *Odluka o izmjenama Odluke o naknadama za javno prave usluge Hrvatske komore inženjera građevinarstva,* adopted on 2 January 2024 and entered into force on the date of adoption, in accordance with Article 2, published on the official website (https://www.hkig.hr/HKIG/Akti-Komore/Odluke-Komore/Vazece-odluke/) - Measure 12 – Article 1, Tariff No. 13 A copy of the Decision on fees of the Croatian Chamber of Mechanical Engineers, *Odluke o naknadama za usluge koje pruža Hrvatska komora inženjera strojarstva,* adopted on 17 May 2024, entered into force on the date of adoption and published on the official website, in accordance with Article 5 (https://www.hkis.hr/akti-komore/odluke-upravnog-odbora) - Measure 12 – Article 2, Tariff No. 12 Code of Professional Ethics in the Performance of Professional Geodetic Works of Authorised Geodetic Engineers, *Kodeks strukovne etike u obavljanju stručnih geodetskih poslova ovlaštenih inženjera geodezije*, adopted on 8 July 2021, published on 14 July 2021 in the Official Gazette (No. 80/21) (https://narodne-novine.nn.hr/clanci/sluzbeni/2021_07_80_1497.html) - Measure 22 - Article 9, paragraph 4 and Article 19, paragraph 1 -3 https://psc.hr/inzenjer-rudarstva/ - Measure 27 – link to requirements for freedom of services for mining engineers on the official Single Point of Contact, with screenshot as supporting evidence (mjera-27-psc-hr-inzenjeri-rudarstva-687e24f4e06f3.jpg) A copy of Rules on taking the professional exam in mining, *Pravilnik o polaganju stručnog ispita iz rudarstva,* adopted on 9 July 2024, published on 17 July 2024 in the Official Gazette (84/24) and entered into force on 17 July 2024, in accordance with Article 44, (https://narodne-novine.nn.hr/clanci/sluzbeni/2024_07_84_1465.html) - Measure 28, Article 11, paragraph 7 and Article 21	

	A copy of Rules on taking the professional exam in mining, *Pravilnik o polaganju stručnog ispita iz rudarstva,* adopted on 18 June 2020, published on 17 July 2020 in the Official Gazette (No. 83/20) and entered into force on 26 July 2020, in accordance with Article 44 (https://narodne-novine.nn.hr/clanci/sluzbeni/2020_07_83_1557.html) - Measure 29, Article 3 and supporting evidence of online application through one-stop shop (mjera-29-psc-hr-inzenjeri-rudarstva-687e24f471ac3.jpg, mjera-29-prijava-strucnog-ispita-iz-rudarstva-primjer-687e24f4455e7.png) A copy of the Amendments to the Act on the Croatian Chamber of Engineers of Transport and Transport Technology, *Zakon o izmjenama i dopunama Zakona o Hrvatskoj komori inženjera tehnologije prometa i transporta*, adopted on 24 May 2023, published on 2 June 2023 in the Official Gazette (No. 59/23) and entered into force on 10 June 2023 in accordance with Article 5 (https://narodne-novine.nn.hr/clanci/sluzbeni/2023_06_59_1000.html) - Measure 30 – Article 3 A copy of the Ordinance on the standard of design and/or professional supervision of the construction of persons working in the civil engineering profession, *Pravilnik o standardu usluga ovlaštenih inženjera građevinarstva*, adopted on 3 December 2022, published on 14 December 2022 in the Official Gazette (No. 146/22), entered into force on 1 January 2023, in accordance with Article 111 (https://narodne-novine.nn.hr/clanci/sluzbeni/2022_12_146_2237.html) - Measure 41 – Article 3, paragraph 3, Article 100, paragraph 2. A copy of the Ordinance on the conditions and procedure for certifying the provision of services on a temporary or occasional basis and the recognition of foreign professional qualifications for persons working in the construction profession, *Pravilnik o uvjetima i postupku izdavanja potvrde za pružanje usluga na privremenoj ili povremenoj osnovi te priznavanju inozemnih stručnih kvalifikacija za osobe građevinske struke*, adopted on 6 February 2020, published on the official website and entered into force on the date of adoption, in accordance with Article 17 (https://www.hkig.hr/fdsak3jnFsk1Kfa/template/HKIG-Pravilnik_o_uvjetima_i_postupku_izdavanja_potvrde_za_pruzanje_usluga_na_privremenoj_ili_povremenoj_osnovi_te_priznavanju_inozemnih_strucnih_kvalifikacja_za_osobe_gradevinske_struke.pdf) - Measure 42 – Article 4, Annex and relevant forms (mjera-42-novi-obrazac-fotografija-nije-obavezna-687e25131b45d.pdf)	

7	A copy of the Act on representation in the field of industrial property rights, *Zakon o izmjenama i dopunama Zakona o zastupanju u području prava industrijskog vlasništva*, adopted on 24 January 2025, published on 3 February 2025 in the Official Gazette (No. 17/25) and entered into force on 11 February 2025 in accordance with Article 12 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_02_17_162.html) - Measure 39 - Article 1 A copy of the Amendments to the Legal Profession Act, *Zakon o izmjenama i dopunama Zakona o odvjetništvu*, adopted on 27 June 2025, published on 4 July 2025 in the Official Gazette (No. 98/25) and entered into force on 12 July 2025, in accordance with Article 9 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_07_98_1358.html) - Measure 59 - Article 7	Evidence on the implementation of measures 39 and 59, concerning the legal profession.
8	A copy of the Amendments to the Notaries Act, *Zakon o izmjenama i dopunama Zakona o javnom bilježništvu*, adopted on 13 May 2022, published on 20 May 2022 in the Official Gazette (No. 57/22) and entered into force on 28 May 2022 in accordance with Article 77 (https://narodne-novine.nn.hr/clanci/sluzbeni/2022_05_57_807.html) - Measure 24 – Article 74 - Measure 25 - Article 7 A copy of the Rules on the working time of notaries' offices, *Pravilnik o radnom vremenu javnih bilježnika*, adopted on 27 May 2025, published on 4 June 2025 in the Official Gazette (No. 86/25) and entered into force on 12 June 2025 in accordance with Article 10 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_06_86_1172.html) - Measure 60 – Article 3	Evidence on the implementation of measures 24, 25 and 60, concerning notaries.
9	A copy of the Ordinance on minimum requirements for premises, workers and medical and technical equipment for the provision of health services, *Pravilnik o minimalnim uvjetima u pogledu prostora, radnika i medicinsko-tehničke opreme za obavljanje zdravstvene djelatnosti,* adopted on 17 April 2020, published on 29 April 2020 in the Official Gazette (No. 52/20) and entered into force on 7 May 2020 in accordance with Article 71 (https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_52_1048.html) - Measure 40 – Article - 17 A copy of the Act amending the Chemical Act, *Zakon o izmjenama i dopuni Zakona o kemikalijama,* adopted on 19 March 2020, published on 27 March 2020 in the Official Gazette (No. 37/20) and entered into force on 4 April 2020, in accordance with Article 18 (https://narodne-novine.nn.hr/clanci/sluzbeni/2020_03_37_780.html)	Evidence on the implementation of measures 40, 48 – 58 and 61, concerning pharmacies/pharmacists, physiotherapists, and other health professions.

	- Measure 48 - Article 8 A copy of the Amendments to the Health Care Act, *Zakon o izmjenama i dopunama Zakona o zdravstvenoj zaštiti*, adopted on 15 July 2025, published on 16 July 2025 in the Official Gazette (No. 102/25) and entered into force on 24 July 2025, in accordance with Article 19 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_07_102_1405.html) - Measure 49 - 58 – Article 3 A copy of the Ordinance on the conditions for the retail sale of medicinal products at a distance via the Internet, *Pravilnik o uvjetima za promet lijekovima na malo na daljinu putem Interneta,* adopted on 10 July 2025, published on 18 July 2025 in the Official Gazette (No. 104/25) and entered into force on 26 July 2025, in accordance with Article 21 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_07_104_1469.html) - Measure 61 – Articles 1 - 21	
10	A copy of the Amendments to the Ordinance on the professional exam for heads of work at the travel agency, *Pravilnik o izmjenama i dopuni pravilnika o stručnom ispitu za voditelja poslova u turističkoj agenciji,* adopted on 16 February 2024, published on 6 March 2024 in the Official Gazette (No. 27/24) and entered into force on 14 March 2024 in accordance with Article 6 (https://narodne-novine.nn.hr/clanci/sluzbeni/full/2024_03_27_417.html) - Measure 26 – Article 1 A copy of the Amendments to the Act on Tourism Services Provision, *Zakon o izmjenama i dopunama Zakona o pružanju usluga u turizmu,* adopted on 26 September 2025, published on 3 October 2025 in the Official Gazette (No. 126/25) and entered into force on 11 October 2025 in accordance with Article 16 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_10_126_1813.html) - Measure 62 – Article 1, Article 3	Evidence on the implementation of measures 26 and 62, concerning tourism managers and tourist guides.
11	A copy of the Amendments to the Road Transport Act, *Zakon o izmjenama i dopunama Zakona o prijevozu u cestovnom prometu*, adopted on 15 November 2024, published on 27 November 2024 in the Official Gazette (No. 136/24) and entered into force on 5 December 2024 in accordance with Article 61 (https://narodne-novine.nn.hr/clanci/sluzbeni/2024_11_136_2249.html) - Measure 44 – Article 34 - Measure 45 – Article 3, paragraph 1, point 1.a - Measure 46 – Article 17	Evidence on the implementation of measures 44 - 46 concerning transport services.
12	A copy of the Act on Quality Assurance in Higher Education and Science, *Zakon o osiguravanju kvalitete u znanosti i visokom obrazovanju*, adopted on 16 December 2022, published on 22 December 2022 in the Official Gazette (No. 151/22) and entered into force on 30 December 2022 in accordance with Article 52 (https://narodne-	Evidence on the implementation of measures 31 - 36 concerning education.

	novine.nn.hr/clanci/sluzbeni/2022_12_151_2330.html) - Measure 31 – Article 14, paragraph 2, Article 13, paragraph 2, Article 15, paragraph 3 - Measure 32 – Article 13, paragraph 4, Article 14, paragraph 3 - Measure 33 – Article 13, Article 14 - Measure 34 – Article 15, paragraph 6 - Measure 35 – Article 16 A copy of the Higher Education and Scientific Activities Act, *Zakon o visokom obrazovanju i znanstvenoj djelatnosti*, adopted on 7 October 2022, published on 14 October 2022 in the Official Gazette (No. 119/22) and entered into force on 22 October 2022, except for Article 108 which entered into force on the date of Croatia's euro accession, in accordance with Article 108 (https://narodne-novine.nn.hr/clanci/sluzbeni/2022_10_119_1834.html) - Measure 36 - Article 7, paragraph 4 (private higher education institutions) and Article 30, paragraph 3 (private scientific institutes)	
13	Link to online verification (https://eenergetskicertifikat.mpgi.hr) - Measure 10 – example of use as supporting evidence (mjera-10-informacije-sa-qr-kodom-energetski-certifikat-687e24f133eb2.jpg) A copy of the Act amending the Construction Act, *Zakon o izmjenama i dopunama Zakona o gradnji*, adopted on 6 December 2024, published on 13 December 2024 in the Official Gazette (No. 145/24) and entered into force on 1 January 2025, except for Article 62 which enters into force on 1 January 2026, in accordance with Article 71 (https://narodne-novine.nn.hr/clanci/sluzbeni/2024_12_145_2374.html) - Measure 37 – Article 7, paragraph 1 - Measure 38 - Articles 6 – 11 and supporting evidence of online application for energy certifiers, including links and examples of applications (https://epodnesak.mpgi.hr/ accessible via One-Stop Shop https://psc.hr/energetsko-certificiranje / and the ministry website https://mpgi.gov.hr/zahtjev-za-davanje-ovlastenja-za-energetsko-certificiranje-energetski-pregled-zgrade-i-redovite-preglede-sustava-grijanja-i-sustava-hladjenja-ili-klimatizacije-u-zgradi-8364/8364, mjera-38-mpgi-web-stranica-1-687e251013e1b.png, mjera-38-mpgi-web-objava-687e2510302b8.pdf, mjera-38-primjer-e-zahtjeva-energetski-certifikatori-687e250f7d47c.pdf, mjera-38-mpgi-e-zahtjev-687e250f9b8d6.png) A copy of the Decree on the tariff of administrative charges, *Uredba o tarifi upravnih pristojbi,* adopted on 26 January 2017, published on 30 December 2022 in the Official Gazette (No. 156/22) and entered into force on 1 January 2023, in accordance with Article 5 (https://narodne-novine.nn.hr/clanci/sluzbeni/2022_12_156_2520.html) - Measure 43 – Tariff No. 2	Evidence on the implementation of measures 10, 37, 38, 43, concerning energy certifiers.

14	A copy of the Ordinance amending the Ordinance on Maritime Pilotage, *Pravilnik o izmjenama i dopunama Pravilnika o pomorskom peljarenju,* adopted on 25 February 2025, published on 21 March 2025 in the Official Gazette (No. 52/25) and entered into force on 29 March 2025 in accordance with Article 61 (https://narodne-novine.nn.hr/clanci/sluzbeni/2025_03_52_686.html) - Measure 23 – Article 24, paragraph 4 A copy of the Amendments to the Veterinary Act, *Zakon izmjenama i dopunama Zakona o veterinarstvu*, adopted on 7 May 2021, published on 14 May 2021 in the Official Gazette (No. 53/21) and entered into force on 22 May 2021, except for Articles 14, 15, 17 and 18, which entered into force on 22 August 2021, in accordance with Article 37 (https://narodne-novine.nn.hr/clanci/sluzbeni/2021_05_52_1053.html) - Measure 47 – Article 23, paragraph 2	Evidence on the implementation of measures 23 and 47, concerning maritime affairs and veterinary services, respectively.
15	Report "License to Compete - Reforming the Regulation of Professions in Croatia", World Bank, 2020	
16	A copy of the adopted Second Action Plan on Liberalisation of Service Markets	
17	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 9 July 2021 on taking stock of and updating the reform recommendations for regulation in professional services of 2017 (COM(2021) 385 final) (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021DC0385)	

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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, (…)

The Croatian authorities provided evidence for the implementation of 62 measures simplifying or removing regulatory requirements for professional services, which were implemented between February 2020 and September 2025 (Evidence No. 3-14). Each measure addresses at least one "regulatory requirement" as referred to in the Council Implementing Decision, meaning that at least 62 regulatory requirements were simplified or removed. Out of the implemented measures, 13 were part of the second action plan on the liberalisation of services markets and 29 measures were part of the third action plan on the liberalisation of service markets. In addition, 20 measures were implemented outside the framework of the two action plans (Evidence No. 2,3 and 16).

The Council Implementing Decision required the simplification or removal of regulatory requirements for professional services to be based on the implementation of the second and third

action plans for the liberalisation of service markets. Some measures presented by the Croatian authorities to prove satisfactory fulfilment of the target were implemented outside the framework of the second or third action plan. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this deviation is acceptable as these measures implemented outside the action plans are also measures simplifying or removing regulatory requirements for professional services. These measures are therefore aligned with the objectives of the reform. The policy alignment is also shown by the fact that 12 of the measures implemented outside of the two action plans are listed as part of already implemented measures in section 4(IV) of the third action plan on the liberalisation of service market (Evidence No. 2, pages 6-7 and Evidence No. 3, measures 26-36 and 41). The fact that some measures were implemented outside of the action plans relates to internal procedures in the Member State and reflects the complexity of the regulatory environment of professional services spanning across a broad range of policy areas under the competence of various ministries. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

(…) including the professions of lawyers, notaries, tax advisors, auditors, pharmacists and pharmacies, physiotherapists, architects, engineers and tourist guides, (…)

The following table provides an overview of the coverage of professions listed in the Council Implementing Decision by measures simplifying or removing regulatory requirements. This table shows that the authorities provided evidence for a total of 37 implemented measures that cover all the professions listed in the Council Implementing Decision. Furthermore, at least one measure per listed profession has been implemented within the framework of the second or third Action Plan on liberalisation of service markets.

Table: Coverage of professions listed in the Council Implementing Decision

Profession	Measure reference as per list of target measures (Evidence No. 3)	Action plan	Evidence No.
Lawyers (2 measures)	Measure 39	3rd Action Plan	Evidence No. 7
	Measure 59	3rd Action Plan	
Notaries (3 measures)	Measure 24	2nd Action Plan	Evidence No. 8
	Measure 25	2nd Action Plan	
	Measure 60	3rd Action Plan	
Tax advisers (11 measures)	Measure 1	3rd Action Plan	Evidence No. 4
	Measure 2	3rd Action Plan	
	Measure 3	3rd Action Plan	
	Measure 4	3rd Action Plan	
	Measure 5	3rd Action Plan	
	Measure 6	3rd Action Plan	
	Measure 13	2nd Action Plan	
	Measure 14	2nd Action Plan	
	Measure 15	2nd Action Plan	
	Measure 16	2nd Action Plan	
	Measure 17	2nd Action Plan	
Auditors	Measure 7	3rd Action Plan	Evidence No. 5

(7 measures)	Measure 8	3rd Action Plan	
	Measure 9	3rd Action Plan	
	Measure 18	2nd Action Plan	
	Measure 19	2nd Action Plan	
	Measure 20	2nd Action Plan	
	Measure 21	2nd Action Plan	
Pharmacists and pharmacies (3 measures)	Measure 40	Outside of Action Plans	Evidence No. 9
	Measure 49	3rd Action Plan	
	Measure 61	3rd Action Plan	
Physiotherapists (1 measure)	Measure 50	3rd Action Plan	Evidence No. 9
Architects (1 measure)	Measure 11	3rd Action Plan	Evidence No. 6
Engineers (8 measures)	Measure 12	3rd Action Plan	Evidence No. 6
	Measure 22	2nd Action Plan	
	Measure 27	Outside of Action Plans	
	Measure 28	Outside of Action Plans	
	Measure 29	Outside of Action Plans	
	Measure 30	Outside of Action Plans	
	Measure 41	Outside of Action Plans	
	Measure 42	Outside of Action Plans	
Tourist guides (1 measure)	Measure 62	3rd Action Plan	Evidence No. 10

(…) 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.

The report "License to Compete - Reforming the Regulation of Professions in Croatia" (Evidence No. 15), elaborated by the World Bank in 2020 as part of a technical support project financed by the EU Structural Reform Support Programme, includes recommendations for competition enhancing reforms across a sample of 24 professions in Croatia. The authorities provided evidence for the implementation of several measures that are linked to recommendations by the World Bank, including the recommendations linked to the four types of regulatory restrictions listed in the Council Implementing Decision:

- The World Bank report analyses the role, as well as registration and membership costs of **professional chambers** and includes several recommendations with the aim to reduce potential barriers to competition linked to professional chambers, for example by removing mandatory membership in professional chambers, abolishing chamber guidance on workhours and fees, and reducing registration costs. The authorities have taken these recommendations into account as part of the measures presented for this target by abolishing the obligation for transport and transportation technology engineers to register with the professional chamber (measure 30, Evidence No. 6), reducing the annual

contribution to the professional chamber of auditors (measure 18, Evidence No. 5), removing the legal right of the chamber of tax advisers to prescribe the fee amounts to be charged for tax advisory services (measure 6, Evidence No. 4) as well as by abolishing the authority of the chamber of geodetic engineers to regulate prices of geodetic services, including the obligation for geodetic engineers to adhere to the chamber's guidelines on the time frame for performing certain geodetic works (measure 22, Evidence No. 6).

- The World Bank report includes recommendations to limit **fragmented exclusive rights in individual professions** where lifting such restrictions does not compromise quality. The authorities have taken these recommendations into account as part of the measures presented for this target by allowing tax advisers to participate in administrative matters before administrative courts rather than just to tax disputes (measure 5, Evidence No. 4).
- The World Bank report includes recommendations to address excessive qualification requirements that could limit market entry and competition, for example regarding eligibility criteria for taking **post-graduate professional exams**. The authorities have taken these recommendations into account as part of the measures presented for this target by implementing several measures, *inter alia* for tax advisers, auditors, notaries, tourist agency managers, and mining engineers:
    - For tax advisers, measure 13 exempts qualified candidates from the requirement to take part of the professional exam for tax advisers, measure 14 allows a written exam instead of an oral exam, measure 15 establishes an independent appeal procedure for candidates taking the professional exam, and measures 16 and 17 reduce the minimum number of years of relevant professional experience necessary for taking the tax adviser professional exam for candidates with bachelor/master and specialist degrees, respectively (Evidence No. 4).
    - For auditors, measure 19 abolishes the fee for training linked to the professional exam, measure 20 ensures that relevant exams and professional qualifications acquired in Croatia or internationally are recognised and that the holders of such exam certificates and qualifications can be exempted from the audit exam, and measure 21 abolishes the obligation to attend professional training in order to take the audit exam (Evidence No. 5).
    - For notaries, measure 24 shortens the work experience required after passing the bar exam before taking the notary exam and measure 25 reduces the work experience required for performing legal services after passing the judicial exam for notaries (Evidence No. 8).
    - For tourist agency managers, measure 26 abolishes the fee for taking the professional exam (Evidence No. 10).
    - For mining engineers, measure 28 allows candidates to retake the professional exam after six months instead of after a year and measure 29 enables the electronic registration for the professional exam for mining engineers (Evidence No. 6).
- Regarding **restrictions on tax advisers on ownership and management interests or voting rights**, the World Bank report recommends allowing tax advisers employed in law, audit or other regulated firms to provide tax advice. Furthermore, the Commission recommended Croatia to review their restrictions for the composition of management boards and/or of managing directors and assess the proportionality of shareholding and/or voting rights requirements for tax advisers (Evidence No. 17, page 16). The authorities have taken these recommendations into account as part of the measures presented for this target by removing the requirement that 51% of ownership interest or membership in a tax consultancy company must be held by tax advisers (measure 2, Evidence No. 4), enabling any natural or legal person to have founding rights in a tax advisory firm, instead of only tax advisers (measure 3, Evidence No. 4), and removing the prohibition of independent tax advisers to be employed by another natural or legal person (measure 4, Evidence No. 4).

Based on the above, the Commission considers that the recommendations were sufficiently taken into account as part of the measures implemented to simplify or remove regulatory requirements for professional services.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 13 Establishing a strategic framework for the promotion of private investment

Related Measure: C1.1.1 R3 Advancing the strategic framework for the promotion of private investment

Qualitative Indicator: Adoption of an Action Plan to boost investment and entry into service of a digital platform to coordinate and ensure effective international, national and regional investment promotion and support.

Time: Q4 2024

1. Context:

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. The reform includes three analytical studies: providing for a review of the institutional landscape, an assessment of the impact of foreign direct investments and 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.

Milestone 13 relates to the establishment of a strategic framework for the promotion of private investment. Milestone 13 is the only milestone of this reform. The reform has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	OECD Analysis	This document shows a copy of the OECD report on Croatia advancing the strategic framework FDI qualities review of Croatia for investment promotion and facilitation, published on 27 November 2023.

3	Reform Working Group	This document shows all the stakeholders and corresponding emails, and phone numbers involved in the expert working group on the drafting of the National Plan for the Promotion of investment 2024-2030 and the Action Plan for the implementation of the National Investment Boosting Plan for 2024-2026. Please refer to Evidence No.6 for more details.
4	National Plan for the Promotion of Investment for the period up to 2030	This document outlines the priorities to improve the investment climate and attract private investment for the period up to 2030.
5	Decision on the adoption of the National Plan for the Promotion of Investment for the Period up to 2030 and the Action Plan for the Implementation of the National Plan for the Promotion of Investment for the Period up to 2026 and its publication in the official gazette (No. 153/2024) of 27 December 2024	This document shows the decision adopted by the Croatian Government on 27 December 2024, including the adoption of National Plan for the Promotion of Investment for the Period up to 2030 and the Action Plan for the Implementation of the National Plan for the Promotion of Investment for the Period up to 2026. It came into force on the same day. https://narodne-novine.nn.hr/clanci/sluzbeni/2024_12_153_2538.html
6	Decision on the establishment and appointment of an Expert Working Group for drafting the National Plan for the Promotion of Investment 2024-2030 and the Action Plan for the Implementation of the National Investment Boosting Plan for 2024-2026 of 15 September 2023	This document shows the decision for the establishment and appointment of an Expert Working Group for drafting the National Plan for the Promotion of Investment 2024-2030 and the Action Plan for Implementation, issued by the Ministry of Economy and Sustainable Development of the Republic of Croatia. The document was issued on 15 September 2023.
7	Report on the conduct of the prior valuation draft national plan to boost investment for the period from 2024 by 2030 years, published in May 2024.	This document shows a report on the conduct of the prior valuation of the draft National Plan to boost investment in Croatia for the period 2024-2030, which was published in May 2024. The report provides an evaluation of the draft plan, its compliance with strategic planning rules, and its relevance, coherence, and effectiveness in promoting investment in Croatia.

8	Action Plan for the Implementation of the National Plan for the Promotion of Investment in Croatia for the period up to 2026	This document outlines measures to improve the investment climate and attract private investment for the period up to 2026.
9	Amendments to the Law on Investment Promotion, published in the Federal Gazette (No. 136/24) on 27 November 2024	This document shows the decisions adopted by the Croatian Government on November 27, 2024, including the adoption of a national plan for promoting investment and an action plan for implementation. It entered into force on 28 November 2024.
10	Public procurement contract for the creation of an information system for the management of promotion and investor support	This document shows a contract for the creation of an information system for the management of promotion and investor support, signed by Ignitech solutions and the Ministry of economy on 25 October 2024 and 30 September 2024, respectively.
11	Handover report on the services provided for the development of an information system for the management of promotion and investor support	This document shows a handover report, signed by signed by Ignitech solutions and the Ministry of economy on 30 April 2024 and 25 April 2024.
12	User instructions on the information system for the management of promotion and investor support	This document shows a user manual for the Croatian Ministry of Economy's digital platform designed to manage and promote investments. It provides step-by-step instructions for users on how to navigate the system, handle investment projects, campaigns, leads, policy obstacles, and business entities in a centralised and transparent way.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

A strategic framework for the promotion of private investment shall be established, based on analysis and recommendations, consisting of the adoption and publication of the National Plan for the Promotion of Investment 2023-2030, the Action Plan to boost investment 2023-2028 […]

The decision on the adoption of the national plan to boost investment for the period up to 2030 and the action plan for the implementation of the national plan to boost investment for the period up to 2026 (NN 153/2024) was published and entered into force on 27 November 2024 (Evidence No. 5).

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone 13 and has undertaken the assessment on a revised basis. In such description, it is stated that the Action Plan to boost investment shall cover the period 2023–2028. However, this timeline constitutes a clerical error. Pursuant to the *Decree on Guidelines for the drafting of strategic planning acts of national importance and of importance for local and regional self-government units*, Article 16(1) provides that: *"Action plans shall be adopted by the Government for the period of implementation, as a rule, from three to four years."* The objective pursued by the CID is to align milestone 13 to the timeline of the national framework for strategic planning reflected in the above-mentioned Decree. This adjustment ensures consistency with the applicable strategic-planning regulatory framework in force at the time of adoption of the Action Plan and reflects the intended structure of the strategic framework for the promotion of private investment. Against this background, the justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

The National Plan for the Promotion of Investment for the period up to 2030 (hereinafter called the 'National Plan') (Evidence No. 4) provides priorities, while concrete actions to reach these objectives are set out within the Action plan for the Implementation of the National Investment promotion Plan for the period up to 2026 (hereinafter called the 'Action Plan', Evidence No. 8).

The OECD analysis and its recommendations (Evidence No. 2) formed the basis of the National Plan (Evidence No. 4) and the Action plan (Evidence No. 8). The analysis highlights several factors needed to improve Croatia's investment climate, and these are reflected in both the National Plan (Evidence No. 4) and the Action Plan (Evidence No. 8). The OECD study was also operationally supported by the TSI project (22Art7HR03) 'Advancing the Strategic Framework for the Promotion and Facilitation of Private Investment', funded through the RRF allocation under Article 7(2) of the TSI Regulation. In line with the CID Annex requirement that the measure promote private investment, Croatia's plans incorporate OECD guidance in four main ways.

First, the OECD recommends better designed and more effective investment incentives (Evidence No. 2). (Evidence No. 4) (Evidence No. 8) includes reforms to modernise state-aid schemes and improve the investment incentive framework (Measure 1.4, page 6). These efforts aim to make incentives more impactful in attracting private investment.

Second, the OECD stresses the importance of complementary reforms—such as strengthening skills, innovation capacity, and infrastructure—to create a more attractive investment ecosystem (Evidence No. 2). The National Plan (Evidence No. 4) includes actions in these areas, and the Action Plan (Evidence No. 8) reinforces this approach through measures that support skills, R&D, and innovation (e.g., Measure 1.3), helping to build the knowledge- and technology-based economy the OECD recommends.

Third, the OECD highlights the need for stronger institutional coordination and greater transparency (Evidence No. 2). Croatia addresses this in the Action Plan (Evidence No. 8) by establishing formal mechanisms for inter-ministerial cooperation and communication (Measure 2.1) and by improving access to information for investors through enhanced digital tools and outward-facing

communication (Measure 2.2). These actions reduce uncertainty and support a more predictable investment environment.

Finally, the OECD recommends regular monitoring and evaluation of investment policies (Evidence No. 2). Croatia reflects this by embedding performance tracking and evidence-based policy adjustments into both plans (Evidence No. 4 and Evidence No. 8) including annual assessments and consultations with investors (e.g., Measures 1.1, 1.3, and 2.4).

[…] and the entry into force of a new Law on Investment Promotion

The amended Law on Investment Promotion (No. 136/24), was published in the Federal Gazette on 27 November 2024, and entered into force on 28 November 2024 (Evidence No. 9). The amended law harmonises Croatia's investment aid rules with updated EU regulations, adjusts financial thresholds and conditions for incentives, and strengthens support for projects that create jobs, foster digital and green transition, and contribute to a climate-neutral economy.

[...] and the entry into service of an operational digital platform for coordination and effective international, national and regional investment promotion and support.

The development of a digital platform to support investment promotion is substantiated by the public procurement contract concluded between the Ministry of Economy and Ignitech Solutions (Evidence No. 10), the corresponding handover report signed on 25 and 30 April 2024 confirming the delivery of the information system (Evidence No. 11), and the user manual, which outlines the system's core functionalities, including management of investment projects, investor enquiries, promotional campaigns, business barriers, and interinstitutional coordination at the national, regional, and local levels (Evidence No. 12, pp. 3–4, 27, 33).

Accordingly, the creation of Croatia's digital investment management platform supports several specific OECD recommendations aimed at improving investment policy effectiveness. In line with the OECD's call for enhanced interinstitutional coordination (Evidence No. 2), the platform enables international, national, regional, and local authorities to collaborate through a shared system for managing investment projects, enquiries, and support services (Evidence No. 10-12). It also directly supports the recommendation to implement regular monitoring and evaluation by offering structured tools for tracking project progress, recording business barriers, and analysing investor feedback (Evidence No. 10-12). Additionally, the platform aligns with the OECD's advice to increase transparency and clarity of incentives by centralising investment-related information, automating workflows, and standardising communication with potential investors (Evidence No. 10-12).

[…] 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 Council Implementing Decision required three analytical studies to provide a review of the institutional landscape, an assessment of the impact of foreign direct investments and recommendations for regulatory, institutional changes and designing of tax incentives. Instead of three analytical studies, Croatia has relied on one OECD study 'FDI Qualities Review of Croatia', published on 27 November 2023 (Evidence No. 2). Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the OECD analysis (Evidence No. 2) covers all the substantive elements required by the measure description; i) the review of the institutional landscape is carried out in the OECD study, which finds that Croatia's institutional framework for investment promotion has been repeatedly reorganised—most notably by abolishing

the autonomous Agency for investments and competitiveness (AIK) and absorbing it into the Ministry's Internationalisation Directorate—creating service disruptions, overlapping mandates, weaker autonomy, and serious capacity and coordination gaps (Evidence No. 2, pages 59-70); ii) an assessment of the impact of foreign direct investments can also be found, detailing how trade and investment have supported improved living conditions, and examining FDI trends by sector and technology level. It also assesses Croatia's competitive advantages to identify future FDI potential and outlines how existing FDI and foreign multinational enterprises have already contributed to sustainable development in Croatia (Evidence No. 2, pages 27-52); and iii) recommendations for regulatory, institutional changes and designing of tax incentives can be found throughout the analysis including for instance, a recommendation to re-evaluate the design of its main tax incentives to adopt a stronger expenditure-based approach, a recommendation to further coordinate amongst government institutions, and a recommendation to introduce regulatory changes such as in infrastructure, connectivity, education or labour, to best incentivise investment policy goals (Evidence No. 2). On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Finally, **the strategic framework is expected to ensure policy coherence and coordination across different ministries and institutions dealing with the promotion and facilitation of investment (…)**

The National Investment Promotion Plan (Evidence No. 4) sets out a comprehensive, multi-level coordination mechanism, explicitly identifying the Ministry of Economy as the central body and mapping the roles of numerous horizontal and sectoral ministries—such as Foreign and European Affairs, Regional Development and EU Funds, Tourism and Sport, Agriculture, Culture, Justice and Digital Transformation, and others—to ensure aligned policies and procedures (Evidence No. 4, page 4). The Plan emphasises that *"it is necessary to establish a framework for effective institutional coordination to ensure coherence"* in investment promotion (Evidence No. 4, page 3) and later notes that coordination is currently fragmented, committing to creating formal mechanisms, contact points, standards, and a digital Customer Relationship Management system (CRM) platform to harmonise procedures (Evidence No. 4, pages 55–56). The Action Plan operationalises this by assigning ownership and implementing responsibilities for each measure across multiple ministries and partners, thereby institutionalising inter-ministerial cooperation (Evidence No. 8, Measure 1.1, p. 3). Collectively, these measures establish a structured, cross-governmental framework that ensures policy coherence and coordinated delivery.

(…) maximise the impact of investment on productivity, job creation and regional development

The National Investment Promotion Plan (Evidence No. 4) explicitly recognises the productivity and employment benefits of foreign direct investment, noting that foreign-owned firms are significantly more productive, responsible for 30 % of value added, 45 % of exports and 60 % of private R&D spending, and employ 20 % of registered employees (Evidence No. 4, page 13). It further emphasises regional disparities and mandates targeted regional investment promotion, coordination mechanisms at national–regional–local levels, and development of regional investment ecosystems to reduce inequalities (Evidence No. 4, pages 55–56). Accordingly, the Action Plan's Specific Objective 3 (Evidence No. 8, page 15) places regional competitiveness at the core of investment promotion, including measures such as strengthening subnational coordination (Measure 3.1) and improving local-level investor services (Measures 3.2–3.3, pages 17-18). In parallel, the Action Plan (Evidence No. 8) includes labour-market-relevant measures that directly target productivity and workforce skills needed by investors (e.g. skills anticipation and training under Measure 1.2, page 4). Together, these interventions show a coherent and targeted approach to maximising productivity gains, job creation, and regional development outcomes.

(…) and support Croatia's digital and climate transition.

The strategic framework supports Croatia's digital and climate transitions, embedding both horizontal priorities throughout the National Plan and the Action Plan. The National Investment Promotion Plan (Evidence No. 4) highlights that increasing and diversifying investments—particularly in low-carbon and technology-intensive sectors—will explicitly *"contribute to the green and digital transitions of the Croatian economy"* (Evidence No. 4, page 55). The National Plan (Evidence No. 4) references alignment with Croatia's Integrated National Energy and Climate Plan (NECP) 2021–2030 and the Digital Croatia 2032 Strategy (Evidence No. 4, page 4, page 17), ensuring coherence with broader national transition frameworks. Measures encourage investment in renewable energy, clean technologies, circular-economy models, and ICT-intensive sectors (Evidence No. 4, pages.15–22 and 21–22). Furthermore, the Action Plan (Evidence No. 8) reinforces this through concrete operational measures supporting innovation systems, digitalisation of state-aid processes (Measure 1.4, page 6), digitalisation of cooperation mechanisms (Measure 2.1, page 8), digitalisation to identify investment-ready locations (Measure 3.2, page 17). Altogether, the framework's orientation towards sustainable, technologically advanced investment demonstrates clear support for Croatia's climate and digital transformation goals.

The milestone is further specified in the Operational Arrangements, which requires: **The project will be procured**

The procurement of the project was carried out through an open public procurement procedure, as documented in the Public Service Contract for the Creation of an Information System for the Management of Promotion and Investor Support (Evidence No. 10). The procurement procedure was officially launched via the Electronic Public Procurement Bulletin on 10 July 2024 (publication number 2024/S F02-0006925), with amendments published on 19 July 2024. The contract was awarded following a competitive selection process, with the decision issued on 10 September 2024 in favour of Ignitech Solutions d.o.o.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 28 Amending and supplementing the legal framework for R & D tax incentive

Related Measure: C1.1.2 R1 Reform of the R&D incentive system

Qualitative Indicator: Entry into force of the Act amending the State Aid Act for research and development projects

Time: Q4 2024

1. Context:

The objective of the reform is to increase the number of enterprises investing and the size of investments in R&D. The reform consists of an analysis of the existing R&D tax incentive scheme and amending and complementing 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. Amendments to the State Aid Act on Research and Development Projects are based on an analysis of appropriateness and effectiveness of the current tax relief system.

Milestone 28 concerns the entry into force of the Act amending the State Aid Act for research and development projects. Milestone 28 is the only milestone of this reform, related to the R&D incentive system.

The reform has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Copy of the amended Act on State Aid for Research and Development Projects and its publication in the Official Gazette (No.152/2024) on 24 December 2024	This document shows a copy of the amended Act on State aid for Research and Development (R&D) projects which was published on 24 December 2024 and entered into force on 1 January 2025. Link: https://narodne-novine.nn.hr/clanci/sluzbeni/2024_12_152_2519.html
3	Evaluation Report	This document shows an ex-post evaluation of the Research and Development Tax Relief Act in Croatia, produced by Deutsche Gesellschaft für Internationale

		Zusammenarbeit (GIZ) GmbH. It aims to assess its effectiveness in achieving its objectives, identify areas for improvement, and provide recommendations for optimising the Act's administration and impact on beneficiaries.
4	Explanatory Report	This document shows a copy of the explanatory report produced by the Legislation Office providing justifications on how the amendments to the State Aid Act have been made on the basis of the results of the analysis carried out by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.
5	Letter to the government proposing the Draft bill amending the State Act Support for R&D projects from 11 November 2024	This document shows a letter from the Ministry of Economy of the Republic of Croatia to the Government, submitting a draft proposal for an Act amending the Act on State Aid for Research and Development Projects.
6	Copy of the draft bill amending the State Act Support for R & D projects proposed on 21 November 2024 by the Ministry of Economy	This document shows a copy of the draft bill amending the State Act Support for R & D projects proposed on 21 November 2024 by the Ministry of Economy.
7	Checklist for administrative simplification	This document shows a checklist for verifying the eligibility of beneficiaries and projects for state aid for research and development projects, outlining various criteria and requirements that must be met. The document covers administrative verification, eligibility of applicants, projects, and activities, as well as project costs and cooperation requirements.
8	Copy of the Ordinance on state aid for research and development projects and its publication in the Official Gazette (NN 77/2025) on 7 May 2025, and entering into force 8 May 2025	https://narodne-novine.nn.hr/clanci/sluzbeni/2025_05_77_1009.html

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

With a view to increasing the number of enterprises investing in R & D and increasing private investment in R & D,

The evaluation report (Evidence No. 3, page 7) outlines a series of expected outcomes, clearly indicating that the initiative aims to increase both the number of enterprises investing in R&D and the overall level of private R&D investment. These expected outcomes include:

- an increase in the number of aid beneficiaries;
- improved efficiency in the allocation of support;
- enhanced monitoring of investment impacts;
- faster achievement of research results, reflected in a greater number of research and development projects undertaken;
- strengthened cooperation between enterprises and research institutions; greater attraction of researchers to the business sector;
- an increase in patents and other intellectual property rights resulting from supported projects;
- and, more broadly,
- a growth in the stock of knowledge and skills that can be applied to transforming ideas into products, services, or value-added business processes—thereby creating the conditions necessary to achieve the ultimate objective of increasing economic competitiveness and export growth (p. 7).

(….) an analysis shall be carried out of the existing R&D tax incentive scheme.

The evaluation report (Evidence No. 3) provides the analysis of the current tax incentive system. This includes a set of short-term and long-term recommendations to improve the effectiveness and appropriateness of the R&D Tax Relief Act, in particular: increasing tax deduction percentages for R&D activities (Recommendation 1), introducing a definition of a start-up eligible for tax relief (Recommendation 2), setting a deadline for submitting Annual Reports (Recommendation 3), simplifying the application process (Recommendation 4), developing a comprehensive manual and user guidelines for evaluation (Recommendation 5), completing the development of a digital platform (Recommendation 6), establishing a monitoring and evaluation system (Recommendation 7), and enhancing the scheme's visibility (Recommendation 8), as well as introducing volume-based tax deduction for R&D-related research cooperation expenditures (Recommendation 9), simplifying the application and reporting process (Recommendation 10), and introducing additional tax incentives, such as deduction or exemption from employer social security contributions, payroll tax exemption, and patent-related income tax deduction/exemption (Recommendation 11).

Amendments of the legal framework for R&D tax incentives (…)

The amendments to the Act on State Aid for Research and Development Projects (Evidence No. 2) reinforce that Croatia's support mechanism for R&D is a tax-based incentive. This is made explicit in Article 11 (amending Article 13), which provides that beneficiaries receive support through an additional reduction of the corporate or personal income tax base—set at 400% for basic research, 300% for industrial research, 250% for experimental development, and 300% for feasibility studies. These tax deductions constitute the form of state aid provided under the Act. The amendments streamline and clarify the conditions for accessing these tax incentives by updating the definitions of eligible R&D activities (Article 4), expanding the categories of eligible costs (Article 10, now amended Article 8), and aligning national rules with the EU General Block Exemption Regulation (Articles 2–3). At the same time, the amendments introduce a more structured and transparent administrative

framework to ensure correct application of the R&D tax incentive. Article 5(3) sets out a detailed procedure for granting aid, beginning with project application and including administrative checks, eligibility verification, issuance of the tax-incentive certificate, and annual monitoring of costs. Articles 9 (amending Article 11) and 10 (amending Article 12) clarify maximum aid intensities and maximum aid amounts to ensure that the tax deduction remains within EU-permitted limits. Article 16 (amending article 18) requires beneficiaries to file an Annual Report with both the implementing body and the Ministry of Finance together with their tax return, directly linking the monitoring of R&D projects to the tax system. Articles 19 (amending Article 20) and 20a add enforcement and recovery mechanisms and introduce indicators for monitoring the effects of the tax incentive.

(…) to encourage the private sector to increase the intensity of its R&D investment, increase the number of beneficiaries of R&D tax incentives,

The amended Act (Evidence No. 2) increases the amount of aid by doubling the additional tax deduction percentages to 400% for fundamental research, 300% for industrial research, 250% for experimental development, and 300% for feasibility studies (Article 11, amending Article 13), as well as increasing the aid thresholds to up to EUR 55 million for fundamental research, EUR 35 million for industrial research, EUR 25 million for experimental development, and EUR 8.25 million for feasibility studies (Article 10, amending Article 12). Additionally, aid intensities have been increased, with new intensities added for projects implemented in assisted regions and joint projects (Article 9, amending Article 11). The aforementioned amendments, therefore, increase aid amounts, aid thresholds and the aid intensities, providing incentives for enterprises to apply for R&D projects under this scheme and encouraging companies to invest more in R&D, thereby addressing the reform objective of increasing the intensity of the R&D investment by the private sector and the number of beneficiaries of R&D tax incentives, together with the actions outlined below.

(…) simplify the procedures and reduce the administrative burdens,

The amended Act simplifies the application procedure related to reporting costs by requiring beneficiaries to submit personnel costs only once, with costs to be checked only once at the application stage and later reported against timesheets or similar statements (Evidence No. 2, Article 16, amending Article 18). Additionally, as of 1 January 2025, the deadline for submitting Annual Reports has been postponed to 31 January, aiming to synchronise the approval process and calculation of the actual aid amount with the submission of annual tax claims, thereby reducing uncertainty and administrative effort (Evidence No. 8, Article 22, paragraph 4).

The corresponding Ordinance on State Aid for Research and Development Projects (Official Gazette 77/2025) (Evidence No. 8) entered into force on 8 May 2025 and came into force the next day. The Ordinance prescribes the procedure for determining the fulfilment of the conditions for exercising the right to an additional reduction of the corporate income tax base for justified eligible costs of research and development projects and feasibility studies, the procedure for granting aid, the method of exercising the right, the method of monitoring the implementation of the project, and other issues related to the exercise of the right to state aid in accordance with the relevant Act.

Therefore, the amendments and implementing Ordinance jointly simplify the reporting and monitoring framework, harmonise administrative processes with existing tax procedures, and enhance legal clarity, all of which contribute to achieving the overarching objective of reducing administrative burdens

(…) while improving transparency and accessibility,

A checklist for administrative simplification (Evidence No. 7) was developed and published, responding to Recommendation 5, on the publication of a comprehensive evaluation manual and user guidelines intended to standardise assessments and inform applicants about evaluation criteria, thereby promoting fair treatment and informed participation. The technical assistance project to prepare legislative amendments under this reform highlighted the need for strengthening accessibility of the scheme, which is reflected in the ongoing development and implementation of a digital platform for managing applications and processes, proposed under Recommendation 6.

(...) shall enter into force.

The amended Act on State Aid for Research and Development Projects (hereinafter referred to as the "amended Act", Evidence No.2) was published in the Official Gazette (152/24) on 24 December 2024 and entered into force on 1 January 2025.

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.

The explanatory report (Evidence No. 4) provides justifications on how the amendments to the State Aid Act (Evidence No. 2) which came into force on 1 January 2025 have been made on the basis of the results of the evaluation report (Evidence No. 3). Accordingly, Croatia has implemented several key recommendations aimed at improving the effectiveness and appropriateness of its R&D tax incentive framework. Notably, Recommendation 1 was adopted through Article 11 (amending Article 13) of the amended Act (Evidence No. 2), introducing significantly increased additional deduction rates of the profit tax or income tax base for justified costs of R&D projects or costs of feasibility studies funded by eligible companies (hereinafter referred to as 'beneficiaries'), as follows: i. 400% for basic research (from 200%), ii. 300% for industrial research and feasibility studies (from 150%), and iii. 250% for experimental development (from 125%). These increased tax deduction rates strengthen incentives for beneficiaries to invest in various stages of R&D activities. Recommendation 3 was also addressed in Article 16 (amending Article 18), introducing a requirement for beneficiaries to submit their Annual Reports by a fixed deadline, specified in a secondary act, which sets the legal basis to align the aid approval process with tax filings and thereby reduce administrative burdens. Furthermore, Recommendation 4 was implemented to streamline the application process by requiring beneficiaries to submit personnel costs only once at the initial stage, with subsequent reporting based on time-tracking records, thereby reducing repetitive administrative tasks.

The stakeholders involved in the process of conducting the analysis and the recommendations contained in the evaluation report (Evidence No. 3, Section I.1.) include HAMAG-BICRO, the Ministry of Economy and Sustainable Development (MoESD, local acronym MINGOR), the Ministry of Finance (MFIN), and the tax administration.

(…) MINGOR shall prepare legal amendments and submit them to the parliamentary procedure.

The Ministry of Economy (MINGOR) submitted a letter to the government proposing the Draft bill amending the State Act Support for R&D projects on 11 November 2024 (Evidence No. 5). The Government session was then held on 21 November 2024 (Evidence No. 6). The draft Act was passed in Parliament under expedited procedure and therefore had only one reading.

4. Commission Preliminary Assessment: Satisfactorily fulfilled**.**

Number and name of the Target: 30 Award of support to stimulate the growth of start-ups in high technology and knowledge sectors

Related Measure: C1.1.2 R2-I3 Start-up grant funding

Quantitative Indicator: Number

Baseline: 0

Target: 141

Time: Q2 2025

1. Context:

The investment supports product development, capacity expansion, and investment readiness for start-ups in the high-tech and knowledge-based sectors in the pre-commercial phase.

Target 30 consists in awarding grants to at least 141 innovative SMEs up to five years from registration for product design, testing, market validation, pilot lines, intellectual property protection and external services such as training, risk management and assessment of funding needs.

Target 30 is the only target of this investment. The investment has a final expected date for implementation in Q2/2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled
2	A copy of the Call for Proposals, Reference number: NPOO.C1.1.2.R2-I3.02	Call for the award of grants and a link to its publication: https://fondovieu.gov.hr/pozivi/20
3	Appendix 3 of the Call - Criteria for the award procedure	The document setting out the process by which the Implementing body verifies the compliance of project proposals with the criteria set out in the Call
4	A spreadsheet listing all contracts awarded under the Call	A spreadsheet with information on the beneficiaries of aid and projects awarded, including IDs of the beneficiaries, their size, amount awarded, type of the project for which aid was awarded and short description of the

		project.
5	Instructions for applicants	Instructions on completing the application fields, specifying information required for different sections covering the beneficiary, the project, activities and costs
6	60 copies of contracts related to the provision of aid	A sample of contracts signed with beneficiaries
7	Annex 2 of the Call - Draft Contract	An illustrative template of the contract signed with beneficiaries

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Award of aid following evaluations for project proposals under the call for 'non-repayable start-up aid' (…)

The Call for Proposals to award aid based on project proposals, titled "Grants for Start-ups" (hereinafter referred to as: "the Call") was launched on 12 July 2022 and published by the Ministry of Economy and Sustainable Development on a dedicated procurement portal (Evidence No. 2). *Section 2.6 Project eligibility* of the Call (Evidence No. 2.) sets out the maximum amount of awarded aid per beneficiary and the eligibility criteria for the evaluation of project proposals. *Section 4.1 The procedure for the award of aid* of the Call (Evidence No. 2) specifies that the award of aid follows evaluation of project proposals according to the eligibility criteria of the Call. The list of contracts of the Call, which is published on a dedicated internet portal under the relevant Call (Evidence No. 2) shows that the evaluation was carried out and aid was awarded. The list includes information on the name of the beneficiary, project name, short description of the project and the amount of financing.

(…) with the aim of stimulating the growth of start-ups in the pre-commercial phase (…)

Section 1.2 Subject, objectives and indicators and *Section 2.6 Project eligibility* of the Call specify the scope of the Call as stimulating the growth of newly established SMEs (start-ups) by investing in their projects in pre-commercial phase, whose technological maturity is beyond the proof-of-concept phase, but which are not yet ready for the market, namely, those whose technological level of development of the project results in an innovation categorised according to the 'Technology Readiness Levels' (hereinafter referred to as "TRL") scale, applied to assess the maturity of evolving technologies, as TRL 5-TRL 8 (Evidence No. 2).

(…) in the high technology and knowledge sectors (…)

Section 1.2 Subject, objectives and indicators and Section 2.6 Project eligibility of the Call (Evidence No. 2) specify that projects (products, services or technologies) which represent innovations or significant improvements in high technology and knowledge sectors are eligible.

(…) through support for product development, increasing production capacity and investment readiness (…)

Section 2.7 Eligible project activities of the Call specifies the eligible activities as product development, increasing production capacity and investment readiness.

This is verified according to the *Criteria for the award procedure* (Evidence No. 3) which sets out how the implementing body, the Croatian Agency for SMEs, Innovations and Investments, undertakes the selection procedure and evaluates compliance of project proposals with the criteria set out in the Call. Specifically, project eligibility criteria are addressed in the following parts of the document:

- *Question 1* of the *Checklist for project and activity eligibility* and
- *Section 2-Level of innovation* and *Section 3-Design and maturity of the project* of the *Checklist for quality assessment*.

(…) with at least 141 start-ups benefiting from the aid granted.

A total of 142 grants were awarded to 142 beneficiaries through the Call following evaluations for project proposals (Evidence No. 4). The list of contracts awarded under the Call is published on a dedicated internet portal under the relevant Call (Evidence No. 2). This includes information on the name of the beneficiary, project name, short description of the project and the amount of financing.

This includes upgrading, design, performance validation, market validation, testing, development of pilot lines, intellectual property protection and external services aimed at developing an innovative idea, as well as training on mitigation and risk assessment of funding needs.

Section 2.7 Eligible project activities of the Call specifies the sub-activities that are eligible as part of product development, increasing production capacity and investment readiness, in particular:
- upgrading, design, performance validation, market or technology validation, testing, pilot-line development, intellectual property protection, external services aimed at developing an innovative idea in a product, process or service, and
- training on mitigation and risk assessment of funding needs (Evidence No. 2).

These sub-activities are verified according to the *Criteria for the award procedure* (Evidence No. 3), specifically:

- *Question 7* of the *Checklist for project and activity eligibility* and
- *Section 3-Design and maturity of the project* of the *Checklist for quality assessment*.

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).

Section 2.1 Eligible applicants of the Call (Evidence No. 2) specifies eligible applicants as newly founded SMEs up to five years from registration, as from the date of application submission, not generated by a merger and falling under the definition of an innovative SME according to the Appendix I of the General Block Exemption Regulation (hereinafter referred to as: "GBER").

Eligibility of applicants is verified according to the *Criteria for the award procedure* (Evidence No. 3), specifically*:*

- *Question 1* and *Question 3* of the *Checklist for the eligibility of applicants.*

On the basis of a sample selected by the Commission from the Excel table submitted by the authorities (Evidence No. 4), the following documentary evidence was submitted for 60 units:

- copies of contracts related to the provision of aid (Evidence No. 6).

The evidence provided for a sample of 60 units, contracts with beneficiaries of aid (Evidence No. 6), confirmed contract validity, beneficiary eligibility, project eligibility (eligible pre-commercial phase)

and eligibility of activities (product development, increasing production capacity or investment readiness). The contracts include references to the measure.

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.

The submitted contracts also encompass additional possible activities: accessing global business networks or clusters, adopting new marketing tools and accessing new markets, for example projects undertaking patenting (Evidence No. 6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 32 Support to projects for the commercialisation of innovation

Related Measure: C1.1.2 R2-I5 Commercialisation of innovation projects

Quantitative Indicator: Number

Baseline: 0

Target: 95

Time: Q4 2024

1. Context:

The investment supports SMEs in commercialisation of mature innovation projects close to market entry. It aims to increase exports of innovative products, services or technologies, by opening sales and distribution channels on foreign markets and by strengthening links between the industry and scientific institutions, as well as between SMEs and larger companies.

Target 32 requires providing grants to at least 95 SMEs with mature innovation projects to finance product adaptation, market launch, and internationalisation.

Target 32 is the only target of this investment. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled
2	A copy of the Call for Proposals, Reference number: NPOO.C1.1.2. R2-I5.01	Call for the award of grants and a link to its publication: https://fondovieu.gov.hr/pozivi/2
3	Appendix 3 of the Call - Criteria for the award procedure	The document setting out the process by which the Implementing body verifies the compliance of project proposals with the criteria set out in the Call
4	A spreadsheet listing all contracts awarded under the Call	A spreadsheet with information on the beneficiaries of aid and projects awarded, including IDs of the beneficiaries, their size, amount awarded, type of the project for which aid was awarded and short description of the project

5	Instructions for applicants	Instructions on completing the application fields, specifying information required for different sections covering the beneficiary, the project, activities and costs
6	Package of documents encompassing 125 copies of contracts related to the provision of aid	All contracts signed with beneficiaries under the Call
7	Annex 2 of the Call - Draft Contract	An illustrative template of the contract signed with beneficiaries

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Granting aid to at least 95 small and medium-sized enterprises (…)

The Call for Proposals "Commercialisation of Innovations" (hereinafter referred to as: "the Call") was launched on 1 April 2022 and published by the Ministry of Economy and Sustainable Development on a dedicated procurement portal (Evidence No. 2).

A total of 125 small and medium-sized enterprises were granted aid through the Call following evaluations for project proposals (Evidence No. 4, Evidence No 6). The list of contracts awarded under the Call (Evidence No. 4) is published on a dedicated internet portal under the relevant Call (Evidence No. 2). This includes information on the name of the beneficiary, project name, short description of the project and the amount of financing.

According to the subchapter *Eligible applicants* of the Call (Evidence No. 2), eligible beneficiaries meet the definition of small and medium-sized enterprises as set out in *Annex I. Definition of small and medium-sized enterprises* of the General Block Exemption Regulation. This is verified according to the *Criteria for the award procedure* (Evidence No. 3), specifically:

- *Question 1* of the *Checklist for applicant, project and activity eligibility, Criteria for verifying the eligibility of applicants.*

(…) with mature innovation projects (Technology Readiness Level 7 or higher) (…) It shall support SMEs with mature innovation projects that are close to market launch (…)

The Call supports mature innovation projects in adaptation of a developed product and preparation for market launch. Subchapter *Subject, objectives and indicators*, subchapter *Applicant eligibility* and subchapter *Project eligibility* (Evidence No. 2) specify that eligible projects demonstrate, at the beginning of project implementation, Technology Readiness Level (hereinafter referred to as "TRL") either at the stage:

- TRL 7 – product or service is demonstrated in an operational environment and needs adaptation or
- TRL 8 – product or service is complete and qualified and requires preparation for the launch on the market.

The same subchapters specify that eligible projects include activities which result in innovation level TRL 9 -successfully proven technology and ready for competitive production for the market.

The above is verified according to the *Criteria for the award procedure* (Evidence No. 3), specifically:

- *Questions 3.1 and 3.2* of the *Quality assessment checklist, Section 3. Design and maturity of the project,* assessing the TRL at the beginning of project and the results of project activities.

The Call therefore supports SMEs with mature innovation projects that are close to market launch.

(…) for the commercialisation and internationalisation of their marketing, sales and distribution activities (…)

Subchapter *Subject, objectives and indicators* and Subchapter *Project eligibility* (Evidence No. 2) specify the scope of the Call as granting aid necessary for the commercialisation of innovations and research and development results to support innovative products or services based on applied solutions with the highest probability of commercial success. The same subchapter specifies that the Call supports initiating business activities and launching of production for the market, increasing the innovation capacity and increasing exports of innovative products, services and technologies of SMEs.

The commercialisation and internationalisation (exports) of marketing, sales and distribution is verified according to the *Criteria for the award procedure* (Evidence No. 3) which sets out how the Implementing body, the Croatian Agency for SMEs, Innovations and Investments, undertakes the selection procedure and evaluates compliance of project proposals with the criteria set out in the Call. Specifically, project eligibility criteria (Evidence No. 3) are addressed in the following parts of the document:

- *Questions 1 and 2* of the *Checklist for applicant, project and activity eligibility, Criteria for checking project and activity acceptability,* assessing the alignment of the project with the subject, objectives and indicators of the Call and whether it develops innovative product(s) or service(s) for the market and increases revenues from exports and sales revenues in general.
- *Question 5.2* of the *Quality assessment checklist, Project sustainability,* assessing the marketing plan for the product/service.
- *Question 2.2* of the *Quality assessment checklist, Level of innovation,* assessing the level of project innovation on the international level.

The Call therefore supports entry into market of mature innovation products by supporting their commercialisation and international sales and distribution.

(…) related to an innovative product launched onto the domestic market.
The authorities submitted documentary evidence for all 125 units listed in the overview Excel table (Evidence No. 4):

- copies of contracts related to the provision of aid (Evidence No. 6).

The evidence provided for all 125 units, contracts with beneficiaries of aid (Evidence No. 6), confirmed contract validity, maturity, beneficiary eligibility (innovative SMEs registered in the domestic market), project eligibility (technological readiness level which corresponds to an innovative product launch), and eligibility of activities (commercialisation of innovations), confirming that aid to at least 95 small and medium-sized enterprises was granted. The contracts include references to the measure.

The completed application form by the applicant is an integral part of the contract with the beneficiary, as Annex 1 - Description and project budget, and includes information in line with the Instructions for applicants (Evidence No. 5). Article 1 stipulates that the contract specifies the implementation of the project described in Annex I. Therefore, comprehensive information on projects is part of the signed contracts, such as:

- project information: summary, description, purpose and justification of the project; current situation and assessment of future trends in the relevant market, project impact on business activities, project users, demand analysis, financial analysis/project team,
- description of activities,
- monitoring: results and indicators,
- costs,
- alignment with horizontal principles and
- project visibility and communication activities.

This target investment shall support the adaptation of a developed product or service and the preparation for their launch on the market.

As detailed above, the investment supports projects which at the start are either at TRL 7 - product or service is demonstrated in an operational environment and needs adaptation, or at TRL 8 - product or service is complete and qualified and requires preparation for the launch on the market, and through the received support aim to transition to TRL 9 - successfully proven technology and ready for competitive production for the market (Evidence No. 2).

(…) and is expected to prioritise proposals that contribute to the green transition.

Proposals that contribute to the green transition are prioritised in the Call, as evidenced by the *Criteria for the award procedure* (Evidence No. 3), *Section 1. Value for money (contribution to the indicators)* of the *Quality assessment checklist*, whose *Question 1.5* awards points for projects whose results and activities contribute to the environmental goals/green transition.

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.

Activities under the contracts awarded (Evidence No. 6) fall under at least one category of eligible activities related to 'adaptation of a developed product', such as:
- additional testing and integration of test results into the final product (contract No. 2)
- advisory services (contracts No. 6, 79)
- capacity building (contracts No. 3, 14)
- feasibility studies audits (contract No. 95)
- product design (contract No. 4)
- intellectual property rights protection (contracts No. 1, 111, 60)

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.

Activities under the contracts awarded (Evidence No. 6) fall under at least one category of eligible activities related to 'preparation of product launches', such as:
- preparation or revision of a business plan or marketing plan (contracts No. 27, 73)
- market research and testing (contract No. 5)
- product testing with potential customers (contract No. 121)
- production preparation and investment in zero series product (contracts No. 18, 24)
- operational marketing activities (contract No. 7)

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 41 The upgrade of the high voltage network (220/110 kV) completed

Related Measure: C1.2 R1-I1 Revitalising, building and digitising the energy system and supporting infrastructure to decarbonise the energy sector

Quantitative Indicator: km

Baseline: 0

Target: 300

Time: Q3 2024

1. Context:

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.

Target #41 requires at least 300 km of high voltage power line upgraded, which shall contribute to strengthening the grid connections.

Target #41 is the third target of the investment, and it follows the completion of milestone #39, related to construction permit granted for the upgrade of the high voltage network, and target #40, related to upgrade of underground cables connecting 6 islands to the mainland grid. It will be followed by target #43, related to 40 000 smart meters of electricity installed, target #44, related to upgrade of 250 km of the high voltage network (220/110 kV), target #376 related to additional 60000 smart meters of electricity installed, and target #377, related to new energy battery storage capacity installed with the overall capacity of 100 MWh. The investment has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Uporabna dozvola_DV 2x110 kV Bilice-Boraja / copy of a use permit for the new transmission overhead lines 2x110 kV Bilice – Trogir (section Bilice – Boraja), reference UP/I-361-05/24-01/000121, 531-08-3-4-24-0006 from 30 December 2024	The use permit that confirms that all the works have been done and that new transmission overhead lines are ready for use
2	Knjiga_E1_Bilice-Boraja /	Project documentation for the new transmission

	Project documentation for the new transmission overhead lines 2x110 kV Bilice – Trogir (section Bilice – Boraja), reference DC1483CA from September 2017	overhead lines 2x110 kV Bilice – Trogir (section Bilice – Boraja), confirming the length of the corridor
3	Uporabna dozvola DV 2x110 kV Boraja – Trogir / copy of a use permit for the new transmission overhead lines 2x110 kV Bilice – Trogir (section Boraja – Trogir), reference UP/I-361-05/24-01/000518, 2181/1-11-00-08/08-24-0006 from 27 December 2024	The use permit that confirms that all the works have been done and that new transmission overhead lines are ready for use
4	Rješenje o ispravku Uporabne dozvole DV 2x110 kV Boraja – Trogir / copy of a corrigendum of a use permit for the new transmission overhead lines 2x110 kV Bilice – Trogir (section Boraja – Trogir), reference UP/I-361-05/24-01/000518, 2181/1-11-00-08/08-24-0007 from 27 December 2024	Corrigendum of the use permit that confirms that all the works have been done and that new transmission overhead lines are ready for use
5	Knjiga E1_Boraja-Trogir / Project documentation for the new transmission overhead lines 2x110 kV Bilice – Trogir (section Boraja – Trogir), reference DC1483CB from September 2017	Project documentation for the new transmission overhead lines 2x110 kV Bilice – Trogir (section Boraja – Trogir), confirming the length of the corridor
6	Report of supervising engineer for the upgraded transmission overhead lines 110 kV Benkovac – Zadar, reference 700/24-15/997, 3-200-002-05/BĆ-24-01, from 1 December 2024	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use
7	Report of supervising engineer for the upgraded transmission overhead lines 110 kV Matulji –	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use

	Lovran and Lovran – Plomin, reference 800/24-01/03,3-001-002-01/ZK2-24-146, 3-001-002-01/ZK2-24-146, from 31 October 2023	
8	Report of supervising engineer for the upgraded transmission overhead lines 220 kV Senj – Melina, reference 700/24-15/975, 3-200-002-04/DL-24-01 from 9 December 2024	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use
9	Report of supervising engineer for the upgraded transmission overhead lines 110 kV Bruška – Obrovac 1 and Bruška – Obrovac 2, reference 700/24-15/995, 3-200-002-05/TR from 11 November 2024	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use
10	Report of supervising engineer for the upgraded transmission overhead lines 110 kV Benkovac – Bruška 1 and Benkovac – Bruška 2, reference 700/24-15/996, 3-200-002-05/TR from 11 December 2024	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use
11	Report of supervising engineer for the upgraded transmission overhead lines 110 kV Senj – Otočac, reference 700/24-15/977, 3-200-002-04/DL-24-01 from 9 December 2024	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use
12	Report of supervising engineer for the upgraded transmission overhead lines 110 kV Lički Osik – Otočac, reference 700/24-15/976, 3-200-002-04/DL-24-01 from 9 December 2024	Report by supervising engineer confirming that all the works have been done, and that the power line is ready for use
13	Čelična užad za AL nadzemne vodove - JUS standard / Technical specification for the old overhead lines with old	

	aluminium-conductor steel reinforced (ACSR) conductors, reference 621.315.145 from 29 March 1985	
14	Tipizacija_dalekovoda 110 kV u SR Hrvatskoj / Technical specification for the old overhead lines	
15	Tehnički list_HTLS_OHL_Benkovac-Zadar / Technical specification for the new upgraded overhead lines, reference 584/2020 from 10 December 2020	Justification that the technical specifications of the project(s) are aligned with the description of the target and of the description of the investment in the CID Annex
16	Tehnički list_HTLS-OHL_Matulji-Lovran-Plomin / Technical specification for the new upgraded overhead lines, reference 406/2019 from 20 December 2019	Justification that the technical specifications of the project(s) are aligned with the description of the target and of the description of the investment in the CID Annex
17	Tehnički list_HTLS_OHL_Senj-Melina / Technical specification for the new upgraded overhead lines, reference 167/2021 from 4 August 2021	Justification that the technical specifications of the project(s) are aligned with the description of the target and of the description of the investment in the CID Annex
18	Tehnički list_HTLS_OHL_Bruska-Obrovac 1,2_Bruška-Benkovac 1,2 / Technical specification for the new upgraded overhead lines, reference 249/2023 from 24 July 2023	Justification that the technical specifications of the project(s) are aligned with the description of the target and of the description of the investment in the CID Annex
19	Tehnički list_HTLS-OHL_Lički Osik-Otočac-Senj / Technical specification for the new upgraded overhead lines, reference 375/2023 from 18 October 2023	Justification that the technical specifications of the project(s) are aligned with the description of the target and of the description of the investment in the CID Annex
20	2023.08.09. UOP VE Boraja II / Contract for the connection of the Boraja II wind farm to the transmission network, reference 131/23, from 9	

	August 2023	

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

At least 300 km of high voltage power line upgraded.

The Croatian authorities have provided evidence that the upgrade of total length of 328,1 km of high voltage network (220/110 kV) has been completed. The projects contributing to the target are Bilice – Trogir (section Bilice – Boraja) and Bilice – Trogir (section Boraja – Trogir), which relate to the construction of new double overhead lines, and 10 projects (Benkovac – Zadar, Matulji – Lovran, Lovran – Plomin, Senj – Melina, Bruška – Obrovac 1, Bruška – Obrovac 2, Bruška – Benkovac 1, Bruška - Benkovac 2, Senj – Otočac and Lički Osik – Otočac), which relate to the replacement of old aluminium-conductor steel reinforced (ACSR) conductors with high temperature low sag (HTLS) conductors and connection equipment, on existing overhead lines.

The relevant evidence is broken down in the following way:

The Croatian authorities have provided copies of use permits, confirming that all the works have been done, and that the power line is ready for use, as regards:

- new transmission overhead lines 2x110 kV Bilice – Trogir (section Bilice – Boraja), total length of 60,8 km (Evidence No. 1 and 2 page 6);
- new transmission overhead lines 2x110 kV Bilice – Trogir (section Boraja – Trogir), total length of 22,8 km (Evidence No. 3, 4 and 5 page 6).

The authorities have also provided copies of reports by supervising engineer, confirming that all the works have been done, and that the power line is ready for use, as regards:

- upgraded transmission overhead lines 110 kV Benkovac – Zadar, total length of 31 km (Evidence No. 6);
- upgraded transmission overhead lines 110 kV Matulji – Lovran, total length of 8,7 km (Evidence No. 7);
- upgraded transmission overhead lines 110 kV Lovran – Plomin, total length of 23,5 km (Evidence No. 7);
- upgraded transmission overhead lines 220 kV Senj – Melina, total length of 51 km (Evidence No. 8);
- upgraded transmission overhead lines 110 kV Bruška – Obrovac 1, total length of 16,6 km (Evidence No. 9);
- upgraded transmission overhead lines 110 kV Bruška – Obrovac 2, total length of 16,6 km (Evidence No. 9);
- upgraded transmission overhead lines 110 kV Bruška - Benkovac 1, total length of 14 km (Evidence No. 10);
- upgraded transmission overhead lines 110 kV Bruška – Benkovac 2, total length of 14 km (Evidence No. 10);
- upgraded transmission overhead lines 110 kV Senj – Otočac, total length of 34,6 km (Evidence No. 11);
- upgraded transmission overhead lines 110 kV Lički Osik – Otočac, total length of 34,5 km (Evidence No. 12).

Which shall contribute to strengthening the grid connections.

In order to contribute to strengthening the grid connections, the existing overhead lines have been upgraded by replacing the old aluminium-conductor steel reinforced (ACSR) conductors, with high temperature low sag (HTLS) conductors, which has increased the thermal limit and reduced energy losses of the existing overhead lines. The old existing 110 kV overhead lines had direct current (DC) resistance 0,1939 Ω/km for ACSR 150/25 mm2 at 20°C and alternating current (AC) 439 A at maximum allowable operating temperature, while the new upgraded 110 kV overhead lines have DC resistance 0,1475 Ω/km for Aluminium Conductor Composite Core (ACCC) at 20°C and AC 868 A to 911 A at maximum allowable operating temperature. The old existing 220 kV overhead lines had DC resistance 0,080 Ω/km for ACSR 360/57 mm2 at 20°C and AC 780 A at maximum allowable operating temperature, while the new upgraded 220 kV overhead lines have DC resistance 0,0642 Ω/km for ACCC at 20°C and AC 1530 A at maximum allowable operating temperature. This is demonstrated as regards:

- upgraded transmission overhead lines 110 kV Benkovac – Zadar in Evidence No. 13 page 4, Evidence No. 14 page 129, and Evidence No. 15 pages 2 and 3;
- upgraded transmission overhead lines 110 kV Matulji – Lovran and 110 kV Lovran – Plomin in Evidence No. 13 page 4, Evidence No. 14 page 129, and Evidence No. 16 pages 2 and 3;
- upgraded transmission overhead lines 220 kV Senj – Melina in Evidence No. 13 page 4, Evidence No. 14 page 129 and Evidence No. 17 pages 2 and 3;
- upgraded transmission overhead lines 110 kV Bruška – Obrovac 1, Bruška – Obrovac 2, Bruška - Benkovac 1 and Bruška – Benkovac 2 in Evidence No. 13 page 4, Evidence No. 14 page 129 and Evidence No. 18 pages 4 and 5;
- upgraded transmission overhead lines 110 kV Senj – Otočac and Lički Osik – Otočac in Evidence No. 13 page 4, Evidence No. 14 page 129 and Evidence No. 19 pages 4 and 5.

In order to demonstrate that the new transmission overhead lines (project Bilice – Trogir) have strengthen the grid connections, the Croatian authorities have provided contract for the connection of the Boraja II wind farm to the transmission network, for which the connection point to the transmission network is the new transmission overhead lines 2x110 kV Bilice – Trogir (Evidence No. 20 page 6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 42 An additional 1500 MW of RES capacity installed

Related Measure: C1.2 R1 Decarbonisation of the energy sector

Quantitative Indicator: Number

Baseline: 0

Target: 1500

Time: Q4 2024

1. Context:

The objective of the reform is to facilitate the decarbonisation of the energy and transport sectors and to support the national contribution to the EU renewable energy target.

Target #42 requires at least 1 500 MW of new RES capacity to be installed.

Target #42 is the fourth and last target of the reform, and it follows completion of milestone #36, related to the publication of an assessment document with recommendations to alleviate barriers and administrative procedures restraining to higher uptake of renewable energy sources, milestone #37, related to the entry into force of legislation (Revised Electricity Market Act and High-Efficiency Cogeneration Act) and/or regulation to improve uptake of renewable energy sources, including introduction of a premium-based system for the support of renewable energy sources, and milestone #38, related to 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). The reform has a final expected date for implementation in Q4 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Anex 1_Spreadsheet	Spreadsheet with the list of RES installations contributing to the target
2	60 copies of "electricity consents for the installation of the powerplant" issued by the Distribution system operator (HEP company) or Transmission system operator (HOPS company)	
3	60 copies of "network usage agreements" signed between the owner of the RES installation and the	

	Distribution system operator (HEP company) or Transmission system operator (HOPS company)	

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

At least 1 500 MW of new RES capacity installed.

The Croatian authorities provided a spreadsheet (Evidence No. 1) with the list of 23 760 renewable energy sources (hereinafter referred to as "RES") installations contributing to reaching the target of 1500 MW, which also includes other data, such as the name of the RES installation, the location and specific type of new installed RES capacity, and number of kW of new installed RES capacity.

Following the selection of a random sample of 60 units, Croatia submitted for each of 60 RES installations contributing to the target: 1) "electricity consent for the installation of the powerplant" issued by the Distribution system operator (HEP company) or Transmission system operator (HOPS company) (Evidence No. 2), providing for consent for installing the RES installation; and 2) "network usage agreement" signed between the owner of the RES installation and the Distribution system operator (HEP company) or Transmission system operator (HOPS company) (Evidence No. 3), demonstrating that the RES installation has been installed and connected to the grid. The evidence provided for a sample of 60 units confirmed that the requirement of the target has been met and that for all 60 random selected units, new RES capacity has been installed.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 43 Number of smart meters installed

Related Measure: C1.2 R1-I1 Revitalising, building and digitising the energy system and supporting infrastructure to decarbonise the energy sector

Quantitative Indicator: Number

Baseline: 0

Target: 40000

Time: Q4 2024

1. Context:

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.

Target #43 requires installation of at least 40 000 electricity smart meters.

Target #43 is the fourth target of the investment, and it follows the completion of milestone #39, related to construction permit granted for the upgrade of the high voltage network, target #40, related to upgrade of underground cables connecting 6 islands to the mainland grid, and target #41, related to upgrade of the high voltage network (220/110 kV). It will be followed by target #44, related to upgrade of the high voltage network (220/110 kV), target #376 related to additional 60000 smart meters of electricity installed, and target #377, related to new energy battery storage capacity installed with the overall capacity of 100 MWh. The investment has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	The list of installed smart electricity meters with their official code	
2	60 anonymised copies of the confirmation on the work carried out on the installation of the smart meters of electricity and the replacement of the seal of the electricity meter	

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

At least 40 000 smart meters of electricity have been installed.

The Croatian authorities provided a spreadsheet (Evidence No. 1) with the list of 40 000 smart meters of electricity installed with their official code, which also includes other data, such as completion certificate number.

Following the selection of a random sample of 60 units, Croatia submitted for each of 60 smart meters selected, an anonymised copy of the completion certificate (Evidence No. 2), confirming the work carried out on the installation of the smart meters of electricity and the replacement of the seal of the electricity meter, demonstrating the installation and operation of the meter. The evidence provided for a sample of 60 units confirmed that the requirement of the target has been met and that for all 60 random selected unique identifiers, the smart meter of electricity has been installed.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 47 Contracts signed for exploring geothermal potential

Related Measure: C1.2 R1-I2 Fostering energy efficiency, heat and renewable energy to decarbonise the energy sector

Quantitative Indicator: Number

Baseline: 0

Target: 6

Time: Q4 2024

1. Context:

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

Target #47 requires signature of six contracts for exploring geothermal potential and additional two contracts for drilling of the exploratory geothermal wells. Furthermore, the project does not include any exploration or extraction of either oil or gas, and no equipment is purchased or used for such purposes. Target also requires that there are no methane releases and ensures that the geothermal drilling has no harmful impact on water scarcity and water quality. Finally, the measure did not support district heating systems using fossil energy sources nor any investments in installations falling within the scope of the EU Emission Trading System (ETS).

Target #47 is the third target of the investment, and it follows the completion of milestone #45, related to the adoption by the Government of an Energy Efficiency Programme for decarbonising the energy sector, and target #46, related to support for companies for energy efficiency measures and renewable energy use in industry. It will be followed by milestone #48, related to the publication of the results of geothermal potential for district heating. The investment has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Contract for 2D_MT_Group 1_Velika Gorica, reference September 2022	Contract for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing at the location Velika Gorica
2	Contract for 2D_MT_Group 2_Zapresic, reference September 2022	Contract for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing at the location Zaprešić
3	Contract for 2D_MT_Group 3_Sisak,	Contract for 2D seismic acquisition, magnetotelluric acquisition and interpretation

	reference September 2022	and 2D processing at the location Sisak
4	Contract for 2D_MT_Group 4_Osijek, reference September 2022	Contract for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing at the location Osijek
5	Contract for 2D_MT_Group 5_Vinkovci, reference September 2022	Contract for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing at the location Vinkovci
6	Contract for 2D_MT_Group _6_Vukovar, reference September 2022	Contract for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing at the location Vukovar
7	Contract for Drilling_Group 3_Osijek, reference 22 May 2024	Contract for drilling of the exploratory geothermal wells at the location Osijek
8	Contract for Drilling_Group 1_Velika Gorica, reference 22 May 2024	Contract for drilling of the exploratory geothermal wells at the location Velika Gorica
9	Agreement on grant allocation, reference 1 November 2023	Agreement on the grant allocation signed between the Ministry of Economy and Sustainable Development, the Fund for Environment Protection and Energy Efficiency and the beneficiary, the Croatian Hydrocarbon Agency
10	DNSH Form_4, reference 11 May 2023	DNSH compliance form signed by the beneficiary, the Croatian Hydrocarbon Agency, on the description of project compliance with the DNHS requirements

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Six contracts shall be signed for the exploration of geothermal potential.

The Croatian authorities have provided evidence that six contracts have been signed for the exploration of geothermal potential which included contracts for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing at the following locations: Velika Gorica, Zaprešić, Sisak, Osijek, Vinkovci and Vukovar.

The Croatian authorities have provided copies of contracts for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing as regards:

- Velika Gorica (Evidence No. 1);
- Zaprešić (Evidence No. 2);
- Sisak (Evidence No. 3);
- Osijek (Evidence No. 4);
- Vinkovci (Evidence No. 5);
- Vukovar (Evidence No. 6).

Additional two contracts will be signed for drilling of the exploratory geothermal wells.

The Croatian authorities have provided evidence that two contracts have been signed for drilling of the exploratory geothermal wells at the location Osijek (Evidence No. 7) and Velika Gorica (Evidence No. 8).

i) **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.**
ii) **It shall be ensured, that there is no methane releases.**
iii) **It shall also be ensured, that the geothermal drilling would have no harmful impact on water scarcity and water quality.**
iv) **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).**

The Croatian authorities have ensured compliance with the above-mentioned do no significant harm (hereinafter referred to as: DNSH) requirements through the Agreement on the grant allocation signed between the Ministry of Economy and Sustainable Development, the Fund for Environment Protection and Energy Efficiency and the beneficiary, the Croatian Hydrocarbon Agency (Evidence No. 9), the DNSH compliance form signed by the beneficiary, the Croatian Hydrocarbon Agency, on the description of project compliance with the DNHS requirements (Evidence No. 10), and contractual obligations for the exploration of geothermal potential and drilling of exploratory wells (Evidence No. 1 to 8).

Specifically, taking into account that the 2D seismic acquisition of data does not involve any drilling, the Croatian authorities demonstrated the compliance with the above-mentioned DNSH requirements, as regards six contracts for 2D seismic acquisition, magnetotelluric acquisition and interpretation and 2D processing:

- Velika Gorica (Evidence No. 1 on page 4 paragraph 7, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3);
- Zaprešić (Evidence No. 2 on page 4 paragraph 7, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3);
- Sisak (Evidence No. 3 on page 4 paragraph 7, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3);
- Osijek (Evidence No. 4 on page 4 paragraph 7, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3);
- Vinkovci (Evidence No. 5 on page 4 paragraph 7, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3);
- Vukovar (Evidence No. 6 on page 4 paragraph 7, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3).

Furthermore, the Croatian authorities demonstrated the compliance with the above-mentioned DNSH requirements, as regards the two contracts will be signed for drilling of the exploratory geothermal wells:

- Osijek (Evidence No. 7 on pages 17 and 18 point 5.1, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3),
- Velika Gorica (Evidence No. 8 on pages 17 and 18 point 5.1, Evidence No. 9 on page 5 Article 7, and Evidence No. 10 on pages 2 to 3 point 1, on page 3 point 2 and on pages 5 to 7 point 3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 61 Integration of water service providers

Related Measure: C1.3.R1 Implementation of the water management programme

Quantitative Indicator: Number

Baseline: 200

Target: 40

Time: Q4 2024

1. Context:

The objective of the reform is to consolidate the water sector and improve water management across Croatia. The reform aims to consolidate and reduce the number of water providers to improve their efficiency and governance, introduce a benchmarking system for monitoring and reporting the operational and financial performance of water service suppliers and support long term sustainability of infrastructure investments.

Target #61 aims to integrate the existing 200 public suppliers into 40, according to the principle of one water supplier per service area.

Target #61 is the final target of the reform C1.3 R1 and it follows the completion of milestone #59 related to the adoption of the Multiannual Water and Urban Wastewater Treatment Construction Programme, and milestone #60 requiring the entry into force of amendments to four bylaws that created legal preconditions for consolidation of water operators.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled
2	List of completed integrations of water service providers	Overview Excel table containing, for each integration: name, location, relevant documentation demonstrating integration, and brief description
3	Package of legislative documents demonstrating the completion of integration	For each integrated water service provider, excerpt from relevant parts of legislative documents proving completion of key stage. These include Merger contracts (53 documents concerning 28 service areas) or Articles of association (12 documents concerning 12 service areas) statement of incorporation (1 document concerning 1 service area), with supporting documentary evidence (where applicable, statements from local government bodies

		supporting the integration procedures)
4	Package of documents: Decisions on the Revocation of licences	Ministry decisions on revoking the licences, including transfer of use of the economic entity to the taking over water services provider, allowing non-compliant water services providers to fulfil their legal obligations within an extended timeframe, for 15 water suppliers.
5	Package of documents: Decisions on Granting the licences	Ministry decisions on the fulfilment of general and specific conditions for the commencement of operations by the public water service provider, for 41 water suppliers, with supplementary decisions.
6	Regulation on Service Areas, published in Official Gazette (No. 70/23) on 29 June 2023, entered into force on 15 July 2023, in accordance with Article 47.	Link: https://narodne-novine.nn.hr/clanci/sluzbeni/2023_06_70_1160.html

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Integration of the existing 200 public suppliers into 40, according to the principle of one water supplier per service area.

The legal basis for the mandatory integration of water providers has been established by the Service Areas Regulation (Evidence No. 6, hereinafter referred to as: "the Regulation"), which established territorial boundaries for 41 service areas, listing cities and municipalities that form one service area and are therefore under the jurisdiction of one single integrated public provider (Articles 2 – 45, assessed under the third payment request). The Regulation also defined a leading water provider company for each service area, to integrate several public providers operating in local self-government units that are within the scope of service areas as determined by the Regulation (Articles 2 – 43). The Regulation therefore established the scope of the mergers, according to the principle of one water supplier per service area.

Implementing the Regulation, Croatia provided evidence of integration for each water service provider and service area. Articles of association or statements of incorporation are provided as the founding act of the leading company, or merger agreement for companies participating in the merger (Evidence No. 3). In addition, Croatia provided copies of 41 licences for provision of water services of newly integrated companies (Evidence No. 5). Croatia indicated that several companies did not merge voluntarily. Considering the mergers have been established as mandatory per Services Areas Regulation, for some areas, the Ministry of Environmental Protection and Green Transition issued decisions revoking the right to provide water services and transferring the business entity, effective as of September 24, 2025 (Evidence No. 4).

Based on the submitted documentation, cumulatively (i) for voluntary integrations: articles of association, statement of incorporation or merger agreement, with respective decisions granting licences; and (ii) for involuntary integrations: decision on licence revocation and transfer of business entity, the integration of water service providers has been completed. Namely, there are currently 41 water service providers operating in the country.

The Council Implementing Decision required 40 public suppliers from existing 200, according to the principle of one water supplier per service area. Croatia has provided evidence confirming that currently 41 water service providers are operating in the country, according to the principle of one water supplier per service area. Whilst this constitutes a minimal numerical deviation of around 2.5% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 85 Reduction of the share of municipal waste sent for disposal (51%)

Related Measure: C1.3 R2 Implementation of sustainable waste management

Quantitative Indicator: % (Percentage)

Baseline: 56

Target: 51

Time: Q4 2024

1. Context:

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, which includes the entry into force of the new Waste Management Act and the adoption of two waste management plans, with a view to reduce the share of mixed municipal waste.

Target #85 specifically requires reducing the share of municipal waste sent for disposal to 51%, in line with relevant calculation methodology.

Target #85 is the fourth and final target of the reform, and it follows the completion of milestone #81, milestone #82 and milestone #83. The reform has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	National Municipal Waste Report for 2024	CLASS: 351-02/25-99/9, UR NUMBER: 517-08-1-3-25-2, from March 2025, issued by the competent Ministry dealing with environment protection
2	Annual reporting of municipal waste- questionnaire Municipal Waste Reporting Obligations 2024	EUROSTAT Municipal Waste Reporting Obligations - Quality report and data
3	Annual reporting of municipal waste questionnaire - Landfill 2024	EUROSTAT Landfill rate - Quality report and data
4	Municipal Waste Report for 2022	CLASS: 351-02/23-99/15 UR NUMBER: 517-12-1-3-1-23-2, from July 2023 (revised 3 October 2024),

		issued by the competent Ministry dealing with environment protection
5	Cover note	Summary document that justifies how the target (including all the constitutive elements) was satisfactorily fulfilled.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

The share of municipal waste sent for disposal shall be reduced to 51% from 56% baseline reported in 2022.

According to the Municipal waste report for 2022, the share of waste disposal in 2022 was 56 % (Evidence No. 4, pages 8, 20, 22, 42, 53). According to the latest National municipal waste report for 2024 (Evidence No. 1), the share of waste disposal in 2024 is 50,9%. More concretely, the amount of generated municipal waste is 1 878 802 tonnes, while the amount of municipal waste sent for disposal is 957 094 tonnes, so the disposal rate is 50,9% (Evidence No. 1, pages 6, 7, 8, 21, 23 43 and 51, Evidence No. 3, sheet Landfill rate).

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).

The share of municipal waste sent for disposal was calculated in line with the calculation methodology as stipulated in the Commission Implementing Decision 2019/1004 of 7 June 2019, laying down rules for the calculation, verification and reporting of data on waste in accordance with Directive 2008/98/EC of the European Parliament and of the Council, and repealing Commission Implementing Decision C(2012) 2384 and Commission Implementing Decision (EU) 2019/1885 of 6 November 2019 laying down rules for the calculation, verification and reporting of data on landfill of municipal waste in accordance with Council Directive 1999/31/EC and repealing Commission Decision 2000/738/EC (Evidence No. 1, page 5, Evidence No. 2 and No. 3 – sheet Methodology).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 96 Establishment of a well-functioning reporting control system for road passenger and freight transport

Related Measure: C1.4. R1-I4 Reporting control system for road passenger and freight transport

Qualitative Indicator: A well-functioning reporting control system for road passenger and freight transport established

Time: Q4 2024

1. Context:

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 links 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.

Milestone #96 requires establishment of a well-functioning reporting control system for road passenger and freight transport.

Milestone #96 is the only milestone of this investment. The investment has a final expected date for implementation in Q4 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	M96_Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	PRILOG 1 - Potvrda o izvršenju radova / Certificate of works completion, reference 28 February 2025	Copy of the certificate of completion, signed on 28 February 2025 by the beneficiary and the company delivering and operating the new IT system
3	PRILOG 2 - Izvješće kojim se dokazuje usklađenost / Report by the contractor and the competent authority, reference 3 March 2025	Report by the beneficiary and the company in charge of delivering and operating the new IT system on alignment with the description of the milestone and of the description of the investment in the CID Annex
4	PRILOG 5 - Verifikacija i validacija - Završni izvještaj o izvršenim aktivnostima / Validation and verification	Final report on validation and verification of the development and implementation of the Reporting Control System for Passenger and Freight Road Transport issued by the Faculty of

	of the development and implementation of the Reporting Control System, reference FPZ-ZPP-900-369-2, February 2025	Transport and Traffic Sciences, Zagreb, Croatia and Ericsson Nikola Tesla company
5	Link (https://akdaffinis.akd.hr/) to the new information system	Link to the new information system, which can only be accessed under safe and controlled conditions at the location of the company AKD d.o.o. Savska cesta 31, 10000 Zagreb, Croatia, or by drivers and transport companies, in accordance with the access and data protection rules

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

A well-functioning reporting control system for road passenger and freight transport shall be put in place (…)

The Croatian authorities have provided a copy of the certificate of work completion (Evidence No. 2), signed on 28 February 2025 by the beneficiary and the company AKD (Agencija za komercijalnu djelatnost) delivering and operating the new IT system, which demonstrates that the reporting control system for road passenger and freight transport (hereinafter referred to as: "reporting control system"), has been put in place and is operational, and that the reporting control system was validated and verified by third-party experts from an independent external institution (Faculty of Transport and Traffic Sciences, Zagreb, Croatia and Ericsson Nikola Tesla company).

The authorities also provided the Report signed by the beneficiary and the company AKD (Agencija za komercijalnu djelatnost) delivering and operating the new IT system on 3 March 2025 (Evidence No. 3), and the Final report on validation and verification of the development and implementation of the reporting control system issued by an third-party experts from an independent external institution (Faculty of Transport and Traffic Sciences, Zagreb, Croatia and Ericsson Nikola Tesla company) in February 2025, (Evidence No. 4 pages 1 to 5 and 66 to 81), demonstrating that the reporting management system has been put in place and is operational.

Additionally, the authorities provided a link (Evidence No. 5) to the new information system, which can only be accessed under safe and controlled conditions at the location of the company AKD d.o.o. Savska cesta 31, 10000 Zagreb, Croatia, or by drivers and transport companies, in accordance with the access and data protection rules.

(…) 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.

The Report signed by the beneficiary and the company AKD (Agencija za komercijalnu djelatnost) delivering and operating the new IT system on 3 March 2025 (Evidence No. 3), and the Final report on validation and verification of the development and implementation of the reporting control system issued by an third-party experts from an independent external institution (Faculty of Transport and Traffic Sciences, Zagreb, Croatia and Ericsson Nikola Tesla company) in February 2025,

(Evidence No. 4 pages 1 to 5 and 66 to 81) also demonstrate that the reporting management system connects 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.

To demonstrate the functionality of the reporting control system, the authorities showcased the system during a meeting with the Commission on 30 April 2025. The demonstration by the company AKD confirmed that reporting control system for road passenger and freight transport has been completed and is operational, and that it connects 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. On this basis, the Commission services confirmed that the presented functionalities matched the evidence submitted by Croatia for demonstrating that the specific requirements as set out in the Council Implementing Decision are satisfactorily fulfilled. This on-the-spot check was completed successfully, confirming that milestone requirements are satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the project shall contribute to the digitalisation in Croatian transport sector.**

The establishment of the reporting control system contributes to the digitalisation of the Croatian transport sector since it integrates data from various registers and databases. This integration facilitates improved data exchange of available data and statistics from different sources such as the Tachograph Central Processing System (SOTAH), the national records of tachograph cards and related records under the responsibility of the Ministry of the Sea, Transport and Infrastructure (Evidence No. 4 pages 81 to 89).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 100 Reorganisation of the railway companies and business management

Related Measure: C1.4 R2 Reform of the railway sector

Qualitative Indicator: Management of railway companies and operations reorganised

Time: Q4 2024

1. Context:

The objective of this reform is to increase 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.

Milestone #100 requires carrying out the reorganisation of the management of railway companies and operations.

Milestone #100 is the last milestone of the reform, and it follows the completion of milestone #98, related to the adoption by the Croatian Government of the Sectoral Policy Letter for the Railway Sector, and milestone #99 on the adoption by the Croatian Government of the National Plan for the Development of Railway Infrastructure and of the National Management Plan for Railway Infrastructure and Service Facilities. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	The Ordinance on Organisation of the HŽ Infrastruktura railway company, reference UI-25-4-6/22, 15 March 2022 entered into force on 1 April 2022, in accordance with Article 23	
2	Annual Business and Financial Report of the Company HŽ Infrastructure for the year 2022, reference June 2023	
3	Annual Business and Financial Report of the Company HŽ Infrastructure for the year 2023, reference June 2024	
4	Annual Business Report of	

	the Company HŽ Cargo for the year 2022, reference June 2023	
5	Annual Business Report of the Company HŽ Cargo for the year 2023, reference April 2024	
6	Settlement Agreement between Company HŽ Cargo and the Republic of Croatia, reference 341-01/22-01/34, 530-06-3-1-22-23, from 23 December 2022	
7	Settlement Agreement between Company HŽ Infrastructure and the Republic of Croatia on the regulation of property law matters remaining after Divisions of Company HŽ-Hrvatske Željeznice ltd, reference 341-01/24-03/13, 530-06-3-25-21, from 7 January 2025	
8	The Ordinance on the internal organisation of HŽ Cargo, Reference UC-126-17/22 from 30 November 2022	

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

Reorganization of the management of railway companies and operations shall be finalised.

The Croatian authorities have provided evidence demonstrating the finalisation of reorganisation of the management and operations as regards the railway companies HŽ Infrastructure (hereinafter referred to as: HŽI) and HŽ Cargo (hereinafter referred to as: HŽC).

HŽI railway company:

- The new Ordinance on Organisation of the HŽ Infrastruktura railway company was adopted, demonstrating a dynamic approach to adapting the organisational structure to operational needs (Evidence No. 1 and Evidence No. 2, page 78).
- The internal governance structure and management were strengthened with the new Ordinance on Organisation of the HŽ Infrastruktura railway company, by abolishing the Sector for Human Resources and the Sector for Legal Affairs and establishing the newly merged Sector for Legal Affairs and Human Resources Management. In addition, the Department for Replacement Transport was transferred from the Mechanisation Sector to

the Traffic Sector, in order to improve the management of substitute transport during infrastructure works (Evidence No. 3, page 7).

- The company formally implemented compliance monitoring functions and applied ISO 9001 (the international standard for a Quality Management System) and ISO 50001 (Energy Management System standard) (Evidence No. 3, pages 75 and 76).
- A Settlement Agreement was concluded with the Republic of Croatia on the regulation of property law matters remaining after the Division of Company HŽ-Hrvatske Željeznice ltd, resolving a long-standing property-related legal dispute concerning public assets, which enabled financial stabilisation and more stable and long-term sustainable operations of the railway company (Evidence No. 7).

HŽC railway company:

- Reorganisation of operations was carried out through a new Ordinance on the internal Organisation of HŽ Cargo railway company that lead to a reduction in the number of employees (1133 at the end of 2021 to 1063 at the end of 2022 and 942 at the end of 2023), in cases where certain jobs were abolished since it was determined that they are no longer organisationally justified and for which there is no objective need (Evidence No. 4, page 10, Evidence No. 5, page 21, Evidence No. 8, pages 4 to 9).
- The internal governance, management and organisational structure were strengthened by establishing the Audit Committee (Evidence No. 4, page 4 and Evidence No. 5, page 4).
- The ERP (Enterprise Resource Planning) Pantheon system was introduced, which resulted in a 40% reduction in administrative processes (Evidence No. 5, pages 23 to 25).
- A Settlement Agreement was concluded with the Republic of Croatia, resolving a long-standing property-related legal dispute concerning public assets, which enabled financial stabilisation and more stable and long-term sustainable operations of the railway company (Evidence No. 4, pages 8 and 9 and Evidence No. 6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 105 Double track railway line at Zagreb Kustošija - ZG Zapadni Kolodvor - Zagreb Glavni Kolodvor for a length of 3.4 km reconstructed and upgraded

Related Measure: C1.4 R2-I4 Modernisation of Zagreb Kustošija – Zagreb ZK – Zagreb GK

Quantitative Indicator: Number (km)

Baseline: 0

Target: 3.4

Time: Q4 2024

1. Context:

The objective of the investment is to modernise the railway section of Zagreb Kustošija – Zagreb Zapadni Kolodvor – Zagreb Glavni Kolodvor. The project contributes to achieving the objective of completing the core TEN-T network by 31 December 2030.

Target #105 requires two-track railway line on the section Zagreb Kustošija - Zagreb Zapadni Kolodvor - Zagreb Glavni Kolodvor for a length of 3,4 km to be reconstructed and modernised.

Target 105 is the only target of this investment. The investment has a final expected date for implementation in Q4 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	InvI_748_24_07839_AF_potvrda o preuzimanju_r / Taking-over certificate, reference InvI_748_24_07839_AF from 15 October 2024	Taking-over certificate confirming that all the works have been completed, signed by the engineer in charge of monitoring and implementation of the contract under the FIDIC (Fédération Internationale des Ingénieurs-Conseils)
2	Zaštita okoliša / Opinion of the Ministry of the Economy and Sustainable Development, reference 351 -03/22-01/1964, 517 -05-1-2-22-2, from 15 November 2022	Opinion of the Ministry of the Economy and Sustainable Development confirming that the project did not require a procedure to determine the need for an environmental impact assessment, nor the conduct of an environmental impact assessment
3	Uredba o razvrstavanju željezničkih pruga / Regulation on the classification of railway lines, reference Official Gazette 84/2021 from 23 July 2021, with	Regulation on the classification of railway lines demonstrating that the section Zagreb Kustošija - Zagreb Zapadni Kolodvor - Zagreb Glavni Kolodvor is part of the core TEN-T network

	the entry into force on 31 July 2021 as indicated in Article 7	
4	T105_Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

Two-track railway line on the section Zagreb Kustošija - Zagreb Zapadni Kolodvor - Zagreb Glavni Kolodvor for a length of 3,4 km shall be reconstructed and modernised.

The Croatian authorities have provided a copy of the Taking-Over Certificate signed by the engineer in charge of monitoring and implementation of the contract on 15 October 2024 (Evidence No. 1 pages 3 to 5 and 12 to 21), confirming that 3,491 km of two track railway line, on the section Zagreb Kustošija - Zagreb Zapadni Kolodvor - Zagreb Glavni Kolodvor, have been reconstructed and modernised.

Evidence shall be provided of compliance with authorization procedures under the EIA in accordance with the Directive 2011/92/EU.

The Croatian authorities have provided a copy of the Opinion of the Ministry of the Economy and Sustainable Development from 15 November 2002 (Evidence No. 2 page 2), which confirms that the project did not require a procedure to determine the need for an environmental impact assessment, nor the conduct of an environmental impact assessment.

Furthermore, in line with the description of the measure, **the project shall contribute to achieving the objective of completing the core TEN-T network by 31 December 2030.**

The reconstructed and modernised railway section Zagreb Kustošija - Zagreb Zapadni Kolodvor - Zagreb Glavni Kolodvor is located on the railway line M101 (Dobova) – Državna granica – Savski Marof – Zagreb Glavni kolodvor, which is part of the core TEN-T network (Evidence No. 3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 118 Electrifying and greening aircraft ground handling at the Zadar Airport

Related Measure: C1.4. R5-I1 Electrification and greening of the ground handling and power supply system at the Zadar airport

Quantitative Indicator: Number

Baseline: 0

Target: 1

Time: Q4 2024

1. Context:

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

Target #118 requires implementation of a fully electrified and greened aircraft ground handling system at the Zadar Airport which includes: (i) implementation 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.

Target #118 is the only target of this investment. The investment has a final expected date for implementation in Q4 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	a.1. Handover record for GPU-s signed by Supervisory engineer / copy of the Handover record for ground power unit signed by the supervising engineer, reference 8 July 2024	Handover record/certificate by the supervising engineer that confirms that the works have been done and that the fixed connections for supplying electrical power to stationary aircraft is ready for use
2	c.1. Supervision statement Main supervision eng / copy of the Report by the main supervising engineer, reference 12 May 2024	Statement by the supervising engineer confirming that the works have been done in line with the contract and project documentation and in line with all the requirements from the CID Annex
3	c.2. Supervision statement EL supervision eng / copy of the Report by the	Statement by the supervising engineer confirming that the works have been done in line with the contract and project

	supervising engineer in charge of electrotechnical works, reference 12 June 2024	documentation and in line with all the requirements from the CID Annex
4	c.3. Supervision statement Const supervision eng / copy of the Report by the supervising engineer in charge of construction works, reference 12 May 2024	Statement by the supervising engineer confirming that the works have been done in line with the contract and project documentation and in line with all the requirements from the CID Annex
5	5.1.1 Contract construction GPU_ GP KRK and MAGNUM SUPRA / copy of the Contract for works for implementation of fixed connections for supplying electrical power to aircraft, reference October 2023	Copy of the Contract for works for implementation of fixed connections for supplying electrical power to aircraft
6	a.2. handover record el towbareless tractor / copy of the Handover record for electric aircraft towbarless tractor/pusher vehicle, reference 31 May 2024	Handover record/certificate by the beneficiary and the contractor that confirms that equipment/vehicle is delivered and ready for use
7	a.3. Handover record Remotely controlled el vehicle / copy of the Handover record for the remotely controlled electric aircraft pusher vehicle, reference 27 December 2023	Handover record/certificate by the beneficiary and the contractor that confirms that equipment/vehicle is delivered and ready for use
8	a.4. Handover record El vehicles for towing luggage carts / copy of the Handover record for five electric vehicles for towing luggage carts, reference 13 December 2023	Handover record/certificate by the beneficiary and the contractor that confirms that equipment/vehicle is delivered and ready for use
9	a.5. Handover record Electric self-propelled stairs / copy of the Handover record for the self-propelled electric stairs, reference 9 April 2024	Handover record/certificate by the beneficiary and the contractor that confirms that equipment/vehicle is delivered and ready for use
10	a.6. Handover record Electric bus / copy of the Handover record for the	Handover record/certificate by the beneficiary and the contractor that confirms that equipment/vehicle is delivered and ready for

	electric bus for transporting passengers to/from the aircraft, reference 2 August 2025	use
11	2.5 Answers no. 1 supporting doc 1 / Procurement document, Manufacturer declaration on the technical characteristics of the bus for transporting passengers to/from the aircraft, reference 26 April 2024	Manufacturer declaration on the technical characteristics of the bus for transporting passengers to/from the aircraft confirming that the bus is electrically powered
12	Rashodovanje opreme / Document on the scrapping of equipment from the Zadar airport with the inventory list identifying the diesel-fuelled units that have been replaced with the newly procured electrically powered ground handling units, reference 28 May 2025	Document demonstrating the scrapping of equipment from the Zadar airport, including an inventory list of previous equipment
13	a.7.1. HEP_ODS_permanent operation certificate / copy of the Permanent operation certificate from HEP (Distribution system operator) for the 610 kW photovoltaic power plant, reference 4014-70286410-800001186, from 11 March 2025	Permanent operation certificate from HEP (Distribution system operator) for the 610 kW photovoltaic power plant confirming that the power plant is constructed and connected to the grid
14	a.7.2. Production capacity of the photovoltaic power plant / copy of the Confirmation of the production capacity of the photovoltaic power plant by the supervising engineer, reference 30 January 2025	Copy of confirmation demonstrating the production capacity of the photovoltaic power plant
15	3.1 PV power plant_Project of the derived state / a copy of the project documentation for the photovoltaic power	A copy of the project documentation for the photovoltaic power plant confirming the technical specification, including the production capacity, of the photovoltaic power plant

	plant, reference 001/2024, October 2024	
16	d.1 WORKS Statement main designer Compliance with DNSH / copy of the Works statement by the main designer, reference 10 November 2024	Copy of the Works statement by the main designer for the implementation of fixed connections for supplying electrical power to stationary aircraft confirming the DNSH compliance
17	d.2 WORKS Statement Contractor Compliance DNSH / copy of the Works statement by the contractor, reference 31 October 2024	Copy of the Works statement by the contractor for the implementation of fixed connections for supplying electrical power to stationary aircraft confirming the DNSH compliance
18	d.11. DNSH circular economy evidence WORKS / Report on the geo-mechanical testing, reference 414-ZL-2024-235-12.03.2024, from 12 March 2024	Report on the geo-mechanical testing by the independent engineer for the implementation of fixed connections for supplying electrical power to stationary aircraft confirming the DNSH compliance
19	d.3 Equipment Statement el towbareless tractor / copy of the Declaration of conformity by the producer, reference April 2024	Copy of the Declaration of conformity by the producer for the electric towbareless tractor (pusher) vehicle confirming the DNSH compliance
20	d.4 EPU Remotely ctrl el vehicle EC Dec_of _conformity / copy of the Declaration of conformity by the producer, reference 17 March 2025	Copy of the Declaration of conformity by the producer remotely controlled electric aircraft pusher vehicle confirming the DNSH compliance
21	d.5 EPU El_towing baggage carts standards / copy of the Declaration of conformity by the producer, reference 13 March 2025	Copy of the Declaration of conformity by the producer electric vehicles for towing baggage carts confirming the DNSH compliance
22	d.6 EPU El_self-propelled stairs_CERTIFICAT / copy of the Declaration of conformity by the producer, reference 17 March 2025	Copy of the Declaration of conformity by the producer self-propelled electric stairs confirming the DNSH compliance
23	d.7 EPU Electric bus_DNSH statement / copy of the Declaration of conformity by the producer	Copy of the Declaration of conformity by the producer of the electric bus for transporting passengers to/from the aircraft confirming the DNSH compliance
24	d.10 POWERPLANT Statement Supervision	Copy the Works statement by main supervising engineer for the construction of a 610 kW

	DNSH Compliance Powerplant / copy the Works statement by main supervising engineer, reference 31 October 2024	photovoltaic power plant confirming the DNSH compliance
25	d.12.4. Decison on Environomental and Ecological network Accetability / copy of the Decision of the Ministry of Economy and Sustainable Development, reference UP/I-351-03/21-09/261, 517-05-1-1-22-21, from 27 January 2022	Decision by the Ministry of Economy and Sustainable Development confirming that the project does not have a significant effect on the integrity of the Natura 2 000 sites concerned
26	a.8 Handover record Charging stations for el_powered GSE / a copy of the Handover record for the charging stations for the electric aircraft ground handling equipment, reference 22 April 2024	Handover record/certificate by the beneficiary and the contractor confirming that the 610 kW photovoltaic power plant is connected with the charging stations for electrically powered mobile ground handling equipment
27	3.3. Declaration on the connection of the charging station to the Zadar Airport PV / a copy of the Declaration on the connection of the charging station to the 610 kW photovoltaic power plant, reference 22 April 2024	Declaration /certificate by the beneficiary and the contractor confirming that the 610 kW photovoltaic power plant is connected with the charging stations for electrically powered mobile ground handling equipment
28	3.2 Implementation project Electrical project the GPU system / copy of the project implementation documentation for the ground power units, reference TR-01-UG-2022-61, 93/2024 – IZV, from August 2024	Justification that the technical specifications of the fixed power supply system and charging stations for electrically powered mobile ground handling equipment are aligned with the description of the target and of the description of the investment in the CID Annex

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Electrifying and greening aircraft ground handling, which includes:

(i) implementation of fixed connections for supplying electrical power to stationary aircraft with the necessary design and safety adaptations (without the increase of the apron capacity);

The Croatian authorities provided a copy of the Handover record for ground power units (hereinafter referred to as: "GPU") signed by the supervising engineer (Evidence No. 1), copies of the statements by the supervising engineer (Evidence No. 2, 3 and 4), and a copy of the Contract for works for implementation of fixed connections for supplying electrical power to aircraft (Evidence No. 5 pages 151 to 160), confirming the completion of works on the implementation 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

The Croatian authorities provided copies of handover records, confirming the receipt of the following units of electric aircraft ground handling equipment:

- electric towbareless tractor (pusher) vehicle – 1 unit (Evidence No. 6);
- remotely controlled electric aircraft pusher vehicle – 1 unit (Evidence No. 7);
- electric vehicles for towing baggage carts – 5 units (Evidence No. 8);
- self-propelled electric stairs – 1 unit (Evidence No. 9).

The authorities have provided a copy of Handover record (Evidence No. 10) and procurement document (Evidence No. 11), confirming the procurement of one electric bus for transporting passengers to and from the aircraft.

The authorities also provided the document on the scrapping of equipment (Evidence No. 12), indicating the diesel-fuelled units that were replaced with the newly procured electrically powered ground handling units. No diesel-fuelled bus for transporting passengers to and from the aircraft was previously in operation.

(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.

The Croatian authorities have provided a copy of the Permanent operation certificate from HEP (Distribution system operator) (Evidence No. 13), a copy of the Confirmation of the production capacity of the photovoltaic power plant by the supervising engineer (Evidence No. 14), and a copy of the project documentation for the photovoltaic power plant (Evidence No. 15 page 12), confirming the construction of the 610 kW photovoltaic power plant.

The Croatian authorities have also provided a copy of the Handover record for the charging stations for the electric aircraft ground handling equipment (Evidence No. 26), a copy of the Declaration on the connection of the charging station to the 610 kW photovoltaic power plant (Evidence No. 27), and a copy of the project implementation documentation for the GPU (Evidence No. 28 pages 13, 15 and 27), confirming that the 610 kW photovoltaic power plant is connected 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).

The Croatian authorities have demonstrated the compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01), as specified in the CID Annex, as regards:

i. implementation of fixed connections for supplying electrical power to stationary aircraft, with a copy of the Works statement by the main designer (Evidence No. 16), a copy of the Works statement by the contractor (Evidence No. 17) and a copy of the Report on the geo-mechanical testing (Evidence No. 18);
ii. electric towbareless tractor (pusher) vehicle, with a copy of the Declaration of conformity by the producer (Evidence No. 19);
iii. remotely controlled electric aircraft pusher vehicle, with a copy of the Declaration of conformity by the producer (Evidence No. 20);
iv. electric vehicles for towing baggage carts, with a copy of the Declaration of conformity by the producer (Evidence No. 21);
v. self-propelled electric stairs, with a copy of the Declaration of conformity by the producer (Evidence No. 22);
vi. electric bus for transporting passengers to/from the aircraft, with a copy of the Declaration of conformity by the producer (Evidence No. 23);
vii. construction of a 610 kW photovoltaic power plant, with a copy the Works statement by main supervising engineer (Evidence No. 24).

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.

The above-mentioned requirement has been already addressed above under point (i) implementation of fixed connections for supplying electrical power to stationary aircraft with the necessary design and safety adaptations (without the increase of the apron capacity) and point (ii) replacement of diesel-fuelled mobile ground handling equipment with electrically powered units.

The Croatian authorities have provided a copy of the Handover record for GPU signed by the supervising engineer (Evidence No. 1) and a copy of the Contract for works for implementation of fixed connections for supplying electrical power to aircraft (Evidence No. 5 pages 151 to 160), confirming that the project was implemented without the increase of the apron capacity.

The Croatian authorities provided copies of handover records and the Document on the scrapping of equipment, confirming the replacement of the diesel-fuelled mobile ground handling equipment with the electrically powered units:

- electric towbareless tractor (pusher) vehicle – 1 unit (Evidence No. 6);
- remotely controlled electric aircraft pusher vehicle – 1 unit (Evidence No. 7);
- electric vehicles for towing baggage carts – 5 units (Evidence No. 8);
- self-propelled electric stairs – 1 unit (Evidence No. 9);
- electric bus for transporting passengers to/from the aircraft – 1 unit (Evidence No. 10).

The authorities also provided the Document on scrapping of equipment (Evidence No. 12), identifying the diesel-fuelled units that have been replaced with the newly procured electrically powered ground handling units. No diesel-fuelled bus for transporting passengers to/from the aircraft was previously in operation.

Evidence shall be provided that the project does not have a significant effect on the integrity of the Natura 2 000 sites concerned.

The Croatian authorities have provided a copy of the Decision of the Ministry of Economy and Sustainable Development on the Environmental and Ecological network Acceptability (Evidence No. 25), which confirms on pages 4 to 7 that the project does not have a significant effect on the integrity of the Natura 2 000 sites concerned, and therefore, why neither the Environmental Impact Assessment procedure nor the main assessment for the ecological network needs to be carried out.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 135 Digitalisation of at least 30 public services in agriculture listed in the Action Plan for the Digital Transformation of Agricultural Public Services

Related Measure: C1.5 R3-I1 Deployment of digital public services

Quantitative Indicator: Number

Baseline: 0

Target: 30

Time: Q3 2025

1. Context:

The investment has an objective of contributing to creating digital public services for farmers through digital transformation of at least 30 agricultural public services. Investment includes also the preparation of the Digital Transformation Action Plan, serving as the basis for recording all agricultural services to be digitalised.

Target 135 requires that the Action Plan for digital transformation of agricultural public services sets the basis for recording all agricultural services to be digitalised. This is done by defining al list of public services for digital transformation and setting a model and a transformation process for each public service recorded.

Target 135 is the only target of this investment, related to digitalisation of at least 30 public services which are registered in the Action Plan. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	01_00__Akcijski_plan.pdf	A copy of the Digital Transformation Action Plan and a link to the website where it can be accessed.
3	01_02_Odluka_o_donosenju akcijskog plana.pdf *"Odluka o donošenju Akcijskog plana za investiciju C1.5. R3-I1 Uspostava digitalnih javnih usluga u okviru Navionalnog plana*	Decision on the adoption of the Action plan.

	oporavka i otpornosti 2021.-2026." Class: 650-01/22-01/12 Registration number: 525-04/105-22-1 The Decision entered into force on 30 June 2022.	
4	01_03_Odluka o osnivanju projektne jedinice.pdf "*Odluka o osnivanju Projektne jedinice za provedbu projekata digitalne transformacije poljoprivrede u okviru reforme C1.5. R3 Digitalna transformacija poljoprivrede Nacionalnog plana oporavka i otpornosti 2021.-2026.*" Class: 003-05/21-01/1 Registration number: 525-05/0095-21-1 The Decision entered into force on 24 November 2021.	Decision on establishing a project unit.
5	01_01_Katalog usluga.pdf	A list of public services digitalised including for each one a description of a transformation process.
6	01_00_Akcijski plan_tablicni_prikaz.pdf	Copy of the Action Plan in tabular form
7	https://poljoprivreda.gov.hr/c1-5-r3-i1-uspostava-digitalnih-javnih-usluga-5321/5321 Link to the website where documents can be accessed.	Link contains the following documents, copies of which were also provided: -Provedbeni plan investicije R3 - I2 Pametna poljoprivreda -Odluka o osnivanju Projektne jedinice za provedbu projekata digitalne transformacije poljoprivrede -Provedbeni plan investicije R3 - I1 Uspostava digitalnih javnih usluga -Provedbeni plan investicije R3 - I2 Pametna poljoprivreda -Provedbeni plan investicije R3 - I3 Sustav sljedivosti -Odluka o donošenju akcijskog plana investicije

		R3-I1 Uspostava digitalnih javnih usluga -Akcijski plan investicije R3-I1 Uspostava digitalnih javnih usluga i -Tablični prikaz Akcijskog plana investicije R3-I1 Uspostava digitalnih javnih usluga iKatalog -Katalog usluga uspostavljenih investicijom R3-I1 Uspostava digitalnih javnih usluga.
8	Project task (8 documents)	A brief description of the request for the public services that should be digitalised.
9	Takeover records (44 documents)	Copies of the certificates of works completion signed by the contractor and the competent authority, demonstrating system with corresponding e-services has been completed and is operational, and link to the system. Takeover records are organised per different IT systems that digitalised services are a part of: i. ePoljoprivreda (33 documents) ii. eZakup (2 documents) iii. SLE ("Središnja lovna evidencija") (2 documents, same as eZakup) iv. FIS ("Fitosanitarni informacijski sustav") (1 document) v. JRDŽ (ePosjednik) (2 documents) vi. Lysacan (Register of pets) (2 documents) vii. WAVESS (Forestry register) (2 documents) viii. UPŠ ("Upisnik privatnih šumoposjednika") (1 document)
10	Ministry reports -0001_ePoljoprivreda\01_ePoljoprivreda_PRZ.docx eLease -0002-0003_eZakup\01_eZakup_Projektni zadatak.docx Central Hunting Register (SLE) -0004_0006_SLE\01_SLE_Projektni	Report by the relevant ministry proving alignment with the description of the target and of the description of the investment in the CID Annex.

	zadatak.docx Phytosanitary Information System (FIS) -0007_0015_FIS\01_FIS_Projektni zadatak.docx eOwner (Uniform Register of Domestic Animals) -0016_0018_ePosjednik\01_ePosjedni_ Projektni zadatak.docx Pets -0019_0026_Lysacan\01_Lysacan_Projektni zadatak.docx Web application for keeping records in forests of forest owners (WAVE-ŠŠ) -0027_0031_wavess\01_wavess_projektni zadatak.docx Register of private forest owners -0032_UPŠ\01_UPŠ_Projektni zadatak.docx	
11	List of public services digitalised	A table presenting and overview of the digitalised public services (32 services). The table includes for each service the title of the project, information system it is a part of, name of the e-service, a reference to the description of the service, a reference to the certificate of the completion of works, and a reference to the report by the relevant ministry.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

The Digital Transformation Action Plan shall be the basis for recording all agricultural services to be digitalised.

The authorities provided the Action Plan for setting up digital public services (hereinafter referred to as: "Action Plan") which was enforced by the decision by Ministry of Agriculture on 30 June 2022 (Evidence No. 2 and 3). Article II. of the decision (Evidence No. 3) indicates that the purpose of the Action Plan is defining the list of all digital public services to be set up under the competence of Ministry of Agriculture, setting the legal basis for digitalisation of agricultural services. Article III

further stipulates that the Annex to the decision (Evidence No. 5) sets the estimated timeline for the digitalisation of services listed in the Action Plan.

The action plan shall include a model and a transformation process for each public service recorded.

The Action Plan includes as an Annex the Catalogue of Services (Evidence No. 5). The catalogue of Services describes the general model and transformation process (pages 5-6) which consists of: i) the analysis of the process, ii) definition of project documentation and implementation of procurement for the selection of a contractor and the implementation of the digitisation of the process itself, such as the transformation of the service from paper-based or partially digitalised to a fully digitalised service, and iii) enabling users to use the new service. Furthermore, pages 7-40 describe particular processes for all the listed services.

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.

Authorities provided the list of digitalised public services including a total of 32 public services from the Action Plan (Evidence No. 11). The 32 digital services correspond to 8 information systems in agriculture, as indicated in the Action plan. Takeover records, signed both by the Ministry of Agriculture and the contractor, confirm that the projects of digitalising the public services under the particular information systems are finalised and the implementation of the digital services was successfully completed (Evidence No. 9). In addition, authorities provided a link to access all the digitalised services as well as the username and password for authentication for verifying that the services are operational (Evidence No. 1). Digital services are accessible to all the potential users through the provided link and can be used upon NIAS (National Identification and Authentication System) authentication. The services were accessed by the Commission services through the provided link and they proved functional.

The action plan shall define the individual public services to be digitalised through the implementation of the project.

Authorities provided the Action Plan (Evidence No. 2, pages 5-9) which contains a total of 74 agricučltural public services that were listed to be digitalised, based on the decision by the Ministry of Agriculture. Section 6 of the Action Plan stipulates that the implementation of the project consists in digitalisation of all services defined in the Action Plan (Evidence No. 2, page 9)

At least 30 services shall be digitalised and made available to beneficiaries.

As assessed above, authorities provided the list of total of 32 public services which were digitalised (Evidence No. 11). Takeover records for information systems in which these services are incorporated confirm that the services are digitalised and made available to beneficiaries (Evidence No. 9). Links for accessing services were also provided and accessed by the Commission services, confirming the availability of the services to the beneficiaries (Evidence No. 1).

Furthermore, in line with the description of the measure **the investment shall reduce the need for in-person services and shall contribute to creating digital public services for farmers**.

Authorities provided the Action Plan (Evidence No. 2, pages 5-9) which contains a total of 74 agricultural services which are identified to be made available for end-users in digital form, reducing therefore the need for in-person services (Evidence No. 2). This milestone confirms an advancement

towards the objective of this measure, as the 32 digitalised services, as assessed above, contribute to creating digital public space in agriculture.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 137 Establishment of a traceability information system

Related Measure: C1.5 R3-I3 Traceability System

Qualitative Indicator: Traceability information system operational and accessible to the public

Time: Q4 2024

1. Context:

The objectives of the investment is 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.

Milestone 137 requires the development of a voluntary traceability information system that enables consumer information through QR codes, facilitates business operations, integrates with other e-systems, and continuously updates data—including details on traders and intermediaries not in physical contact with the product.

Milestone 137 is the only milestone of this investment, related to setting up and information system to inform consumers of products obtained in a sustainable way. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Contracts (21 document)	Contracts signed between the Ministry of Agriculture as contracting authority and Ericsson Nikola Tesla d.d. as the service provider and annexes to contracts for the development of traceability systems for each group of agricultural products.
3	Takeover records (12 documents)	Takeover reports signed by the Ministry of Agriculture and the contractor for the completion of every stage in the development of traceability system
4	Presentation of the traceability system with links to access the modules	Step-by-step presentation of the content of the traceability system with links to access the modules and its use.
5	Technical specifications of	Extracts of the relevant parts of the procurement

	the traceability process for the system (9 documents)	documentation with technical specifications for each of the modules of the traceability system.
6	Terms of reference (3 documents)	Documents outlining a project's scope, goals, and methods. Three documents are provided as there was the repetition of the process for three groups of traceability products and traceability of fruits and vegetables was added to the initial idea for the traceability system (Annex II).
7	Integration documentation	Document describing the means of integration of the subsystems of the traceability information system.
8	Link to the consumer portal of e-Traceability ("*eSljedivost*")	https://esljedivost.mps.hr

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

Traceability information system operational and accessible to the public.

The authorities provided contracts for the different segments of traceability system (Evidence No. 2), which are recognised as "groups" of traceability that all together form the traceability information system for agricultural products. These groups include: (i) Blockchain ("*Mreža lanaca blokova*"), (ii) connection of data on beef and sheep meat into the traceability system, (iii) connection of data on pork and goat meat into the traceability system, (iv) the establishment of poultry registry, (v) establishment of the register of hoofed animals, (vi) the registry of the ecological producers and products, (vii) quality labels for agricultural and food products, (viii) digital health certificate, (ix) the use of medicines on farms, and (x) traceability information system for fruits and vegetables. The authorities further provided the takeover records for all the above listed parts of the traceability information system confirming that the system was successfully delivered as contracted (Evidence No. 3). A link was provided to the traceability system "*eSljedivost*" which is publicly available (Evidence No. 8). The Commission services accessed the IT system and confirmed it is operational.

The planned traceability information system shall enable better informing of consumers in form of monitoring the traceability of agricultural and food products.

The authorities provided relevant parts of public procurement documentation, namely the terms of reference, confirming that the completion of the traceability system is set to make the traceability of agricultural products transparent, publicly available and credible, while ensuring a higher value added and visibility of products using the traceability system (Evidence No. 6, Section 2: "Business needs" and Section 4: "Scope of tasks"). Terms of reference define details on the implementation of the contracted project, including the information on the scope of data from registries on agricultural products to be made accessible to consumers. The authorities have further provided the contracts

signed for the development and setting up of respective modules and subsystems of the traceability information system (Evidence No. 2), which confirm the commitment to adhere to the requirements set in the public procurement, namely in the terms of reference. Takeover records further confirm that all the subsystems and modules of the traceability system were developed in line with the requirements set in the contracts concluded following the relevant public procurement (Evidence No. 3).

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 terms of reference indicate that various types of data from existing and newly built registries were to be made available to wider consumers and to the stakeholders of the traceability process, without any obligation for their use (Evidence No. 6). Section 4 in the terms of reference defines the stages of the development of the traceability system. As a general requested feature, the traceability system should aggregate the data and offer the information to a final consumer via a QR code (Section 4: page 26, and subsection 4.1.7: pages 33-36). The user interface, for which the link was provided contains the options to either scan a QR code or to type the product ID to access the information on its traceability. Takeover records (Evidence No. 3) confirm that these elements of the projects were delivered in line with the contracts.

Furthermore, the Commission services conducted an on-the-spot check on 11 March 2025 to verify the satisfactory fulfilment of the requirements. The Commission verified that the traceability information system and all its functionalities relating to the traceability of products of animal origin, fruits and vegetables, as well as the interconnection of existing registries using blockchain technology for automatic synchronisation are in place and operational as described in other evidence provided by the authorities (Evidence No. 2-7). Every point of in the lifetime of a product, such as birth, processing or placement in stores, is visible in the user interface of the traceability IT system. The Commission services also verified that the product can be traced to its origin by scanning the QR code either from the web platform or by using the mobile phone and the app developed for mobile phones. On this basis, the Commission services confirmed that the presented functionalities matched the evidence submitted by Croatia for demonstrating that the specific requirements as set out in the Council Implementing Decision are satisfactorily fulfilled. This on-the-spot check was completed successfully, confirming that all milestone requirements are satisfactorily fulfilled.

The system shall be designed to connect with other e-systems and continuously update information on traceability.

The terms of reference (Evidence No. 6) describe in detail the e-systems and databases under the competence of the Ministry of Agriculture that have been interconnected using the blockchain technology. These include: a traceability system for cattle, sheep, an application for generating traceability tags, a web application for stakeholders to access the traceability system, a portal for retrieving and displaying traceability data for consumers, services for traceability of equines, poultry, pigs, and goats. Contract and takeover records for “Group 1 – Blockchain” (Evidence No. 2 and 3) confirm that the traceability system based on blockchain technology was successfully delivered. The authorities have also provided the integration documentation (Evidence No. 7) describing the modalities of the application programming interface through which the interconnection of different subsystems corresponding to relevant registries is done. Section 4.1.1 of the terms of reference (Evidence No. 6, pages 27-28) stipulate that blockchain technologies enable constant and automatic synchronisation and update of data from connected registries, including automatic synchronization

of the local copy of the main ledger to the network nodes of each participant involved in that main ledger. 6, pages 27-28) stipulate that blockchain technologies enable constant and automatic synchronisation and update of data from connected registries, including an automatic synchronization of the local copy of the main ledger to the network nodes of each participant involved in that main ledger.

The system shall also have the potential to record information on traders and intermediaries who may never come into physical contact with the product.

The authorities provided extracts from public procurement documentation containing technical specifications which describe the traceability process for the respective groups of agricultural products (Evidence No. 5). The technical specifications describe the steps of the traceability process, the so called “control points” in the traceability process such as birth (of an animal), import, processing or market placement. These documents also describe which sets of information are available for end users in the user interface, confirming that the recorded information on different stages of the lifetime of the agricultural product and the information of stakeholders involved in the process is available via scanning the QR code on the product. During the on-the-spot check (Evidence No. 8), authorities have further demonstrated how the data on each intermediary is created and made available to the final user of the product. Authorities demonstrated how each of the intermediaries takes over the product and is added to the traceability of that product via its QR code. Following the line of processing and placement of the product, some intermediaries from the beginning of the traceability of the chain may never be in physical contact with the product finally placed for consumption, but their contact in the life cycle of the product is recorded in the traceability IT system and cannot be annulled due to the use of blockchain technology.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 148 Educational programmes to strengthen tourism knowledge and skills

Related Measure: C1.6 R1-I3 Strengthening system capacity for resilient and sustainable tourism

Quantitative Indicator: Number

Baseline: 0

Target: 10

Time: Q4 2024

1. Context:

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, with a focus on digital, green and management skills. The investment main activities include designing educational programmes that respond to the needs of the labour market, specific training for employers, training of students and unemployed persons and training for staff in the state administration and county tourist boards in order to better manage sustainable tourism.

Target 148 is related to develop educational programmes to strengthen tourism knowledge and skills, including digital skills for government and public officials in the tourism system, unemployed and entrepreneurs. The education programmes developed are based on analyses of labour market needs.

Target 148 is the first step of the implementation of the investment. It will be followed by target 149, related to training 1000 person with the educational projects developed. The investment has a final expected date for implementation in Q4/2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Ugovor Analiza_br. 36-2022	Contract number 36/2022 on the public procurement for consulting service of best practice analysis on labour market education needs.
3	Analiza primjera najbolje prakse	Analysis of best practices, examination of educational and labour market needs and

		development needs and potential to increase the sustainability and resilience of the tourism sector
4	Zapisnik o primopredaji_Ugovor br. 36-2022	HANDOVER RECORD for contract No 36/2022 on the public procurement for consulting service of best practice analysis on labour market education needs.
5	Contracts for preparing the educational programs	Contracts nr. 42 and 50 from 2024, to prepare the educational programs
6	Handover records for the education programs	Handover records for contracts nr. 42 and 50 for educational programs.
7	Learning material	Learning material for 10 educational programs.
8	Toolkit for teachers	Tool kit for teacher for 10 education programs.
9	Education programme	Education program for 10 education programs.
10	Student textbook	Student textbook for 10 education programs.
11	Certificates of participation	Certificates of participation for people participating in lot 1 for each of the 10 educational programs.
12	Educational program Tourism Destination Management documents	Student textbook, teacher's manual and teaching material for educational program Tourism Destination Management documents
13	Plan and work programme for Training of Trainers for Tourist Destination Management	Plan and work programme for Training of Trainers for Tourist Destination Management

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

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.

Authorities have sent evidence for 12 educational programmes, including learning material (evidence no. 7), toolkit for teachers (evidence no. 8), education programme (evidence no. 9 and no. 12), student textbook (evidence no. 10) and plan and work programme for training of trainers for Tourist Destination Management (evidence no. 12).

The 12 educational programmes were set up through two contracts (Evidence no. 5 and no. 6):

- Contract no. 42, for 10 educational programmes:
  - i) Pairing Wine and the Gastronomic Offer
  - ii) Digital Transformation and Sustainability in Serving Food and Beverages
  - iii) Ecological Approaches in the Use of Food in Cooking
  - iv) Creativity in Making Innovative Sweets
  - v) Communication and Cultural Diversity in Tourism
  - vi) Creation of Content for Digital Communication Channels in Tourism
  - vii) Organisation and Implementation of Events in Tourism
  - viii) Creative Tourism and Storytelling in the Function of Heritage Valorisation
  - ix) Implementation of the Concept of Smart Tourism in Tourist Destinations
  - x) Managing the Development of Tourist Products in Destinations

- Contract no. 50 for two educational programmes:
    - xi) Tourist destination management
    - xii) Training of Trainers for Tourist Destination Management

The 12 education programmes cover a wide variety of trainings, including digital and green skills and are targeted for both public and private employees to further improve their tourism knowledge and skills. In the handover records for contract no. 42 and no. 50 (evidence no.6) the service provider confirms the handover of all relevant documents for the educational programmes (evidence no. 7 to no. 13).
All education programmes were developed for target groups consisting of unemployed persons, employees and employers in and outside the tourism sector, and public officials. In particular, education programmes i), iii), iv), v), vi) are designed for unemployed persons that want to gain the necessary skills to work or start a business in the tourism sector, and for employees and employers inside and outside the tourism sector and want to further develop their skills or business. At the same time, education programmes ii), vii), viii), ix) and x), are addressed to public official employees that are in need to further develop their skills linked to smart cities and smart tourism, heritage valorisation, organizing events, development of tourism products, etc.
Education programmes 11 and 12 are designed through contract no. 50, for destination management in accordance with the Tourism Act and are targeted only towards employees of tourist boards, the Croatian National Tourist Board and the Ministry of Tourism and Sports (evidence no. 5).

The education programmes developed will be based on analyses of labour market needs (…)

The education programmes were developed based on analyses of labour market needs as shown by the contract no. 36 for the public procurement for consulting service of best practice analysis on labour market education needs (evidence no. 2), and the analysis of best practices, examination of educational and labour market needs (evidence no. 3).
The data for the analysis was collected based on research conducted with stakeholders from the tourism and hospitality sector from Austria, Spain, France, and Croatia. The analysis served as the basis for the development of the 10 educational programmes developed under contract no 42 (evidence no. 3).
The analysis identifies through a series of in-depth interviews and questionnaires (evidence no. 3):

- the challenges that have a key impact on the tourism and hospitality sectors.
- the skills needed in the tourism and hospitality sector for strengthening the resilience and competitiveness of the sector.
- the competences of the employees in the tourism and hospitality sector.
- prioritizing adult education programmes needed to further strengthen the resilience and competitiveness of the sector.

Based on these findings, the analysis concludes that digital, green, social and other specific skills are of utmost importance. At the same time, it prioritizes a list of 63 adult education programmes that would help strengthen the resilience and competitiveness of the tourism and hospitality sector (evidence no.3 chapter 4 and annex 4).
This analysis served as a basis for the development of the first 10 education programmes mentioned above. The education programmes are a combination of the prioritized 63 education programmes that resulted from the labour market analysis in chapter 4 and annex 4, for example: education programme i) “Pairing Wine and the Gastronomic Offer”, is based on the second most prioritized education programme in the list “Gastronomy development and supply management” and the ninth most prioritized education programme “Development of oenology and supply management” (evidence no.3, chapter 4 and annex 4).

The xi) and xii) education programmes were designed to meet the needs of the Tourism Act for destination management, including drawing up a destination management plan, monitoring destination development and achievement of objectives (evidence no. 5, no. 12 and no.13).

(…) 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.

For the 10 education programmes done through contract no. 42, persons eligible for the training are from the tourism and hospitality sector, including government officials, employees and employers in the tourism sector and unemployed persons (evidence no.5 and no.6). The education programmes are also available through the educational voucher system set up by the government also supported through the RRP. The Croatia voucher system is designed to allocate vouchers to unemployed persons and adult education for reskilling and upskilling including green and digital skills.
The 10 education programmes done through contract no. 42 (evidence no. 5 and no. 6) create the basis for strengthening the knowledge and skills in tourism, including digital skills for public persons, government officials and employers. These includes among others, digital skills for technological solutions for development of smart cities or development of smart tourism destinations, as well as digital tools for customer relationship management, revenue management systems or digital communication channels (evidence no. 7 to no. 10).

Education programmes xi) and xii) help the public employees gather additional knowledge to be able to implement their legal obligations under the Tourism Act with higher quality. One of the objectives of these education programmes is to enable students to acquire the knowledge and skills related to tourism sustainability indicators and analysis, the steps and procedures for calculating reception capacity, monitoring destination development, and developing a tourism destination management plan (evidence no. 12 and no. 13). In doing so, in addition to the basic regulations and legislation, students apply the guidelines and tools developed by the Ministry of Tourism and Sport. This includes digital skills to use various digital tools at their disposal.

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 green construction, renewable energy, innovative products, entrepreneurial skills, sustainable destination management.

The educational programmes have a strong focus on the green transition aimed at strengthening the capacity of the system for resilient and sustainable tourism, as well as acquiring specific knowledge related to environmental topics, sustainable development and the circular economy. All educational programmes are grounded in the knowledge and principles of green and digital transition in the tourism and hospitality sector (evidence no. 3 and no. 7 to no. 13). The education programmes help participants develop the knowledge, abilities and attitudes for the purpose of developing and supporting a sustainable society that effectively manages resources (evidence no.7 to no. 13).

The contracts no. 42 and no. 50 specify that the educational programmes must meet the conditions and criteria for projects in investment C1.6. R1-I3 of the National Recovery and Resilience Plan, sub-component 1.6 Development of sustainable, innovative and resilient tourism (evidence no. 5). The sub-component 1.6 includes investments C1.6 R1-I1 and C1.6 R1-I2.

Investment C1.6 R1-I1 – “Regional diversification and specialization of Croatian tourism through investments in the development of high added value tourism products” and Investment C1.6 R1-I2 –

“Strengthening the competitiveness of entrepreneurs and fostering the green and digital transition of the tourism sector”, both aim at providing investments that further develop tourism infrastructure and support the green and digital transition of the tourism sector. In this sense, the trainings provided by these education programmes provide the human resource with the adequate skills required to ensure that the investments achieve their goal and are developed to their full potential.

Through the education programmes students can get knowledge and skills linked to green construction and renewable energy (education programme no. x), innovative products (education programme no. i to no. v), entrepreneurial skills (education programme no. v to no. ix), sustainable destination management (education programme no. xi and no. xii).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 164 100% 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.

Related Measure: C2.2.R1-I1 Centralised selection system

Quantitative Indicator: % (Percentage)

Baseline: 0

Target: 100

Time: Q4 2024

1. Context:

The objective of this investment is to ensure recruitment of the best and most competent candidates through a more objective and transparent recruitment process, based on the actual needs. To this end, the measure foresees the development of a new recruitment model based on the analysis of recruitment systems in peer countries' public administrations. The measure also envisages the creation of supporting IT system through which the entire recruitment procedure is executed, including taking the standardised tests. Target 164 concerns the 100% of all the new recruitments done through the newly established centralised selection system based on pre-established reception plans. The system ensures a transparent and objective selection of candidates through standardised online testing.

Target 164 is the only target of this investment. The measure shall be completed by 31 December 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Law on Civil Servants (https://narodne-novine.nn.hr/clanci/sluzbeni/2023_12_155_2358.html)	Published in the Official Gazette (No. 155/23) on 12 December 2023 and entered into force on 1 January 2024, with delayed entry into force on 1 June 2024 for articles 60 and 61; on 1 July 2024 for articles 66-73; and 1 January 2026 for articles 62-65 in accordance with the provisions in Article 176.
3	Law on amendments to the Law	

	on Civil Servants, (https://narodne-novine.nn.hr/clanci/sluzbeni/2024_07_85_1477.html)	Published in the Official Gazette (No. 85/24) on 19 July 2024 and entered into force on 20 July 2024 in accordance with the provisions in Article 11.
4	Regulation on Employment Procedure in the Civil Service (https://narodne-novine.nn.hr/clanci/sluzbeni/2024_10_124_2073.html)	Adopted by the Government on 24 October 2024, published in the Official Gazette No. 124/24 on 25 October 2024 and entered into force on 26 October 2025, with delayed entry into force on 1 January 2026 for articles 17.-23, 38 and 39.
5	Takeover records for the development of the CRS IT system	Takeover records signed by Ministry of Justice and Public Affairs and Omega Software d.o.o. (contractor) on 30 October 2024. The documents include the takeover record for all the activities of the project of implementing the new Centralised Recruitment System, as follows: 1) Analysis and comparative analysis of centralised recruitment models and the normative environment in EU member states with recommendations for the development of centralised recruitment system in Croatia (5-1-racun-primopredajni-potvrda-o-zaprimljenoj-uplati-67a8a4c4bf428.pdf) 2) Preparation of the normative framework and the implementation guidance for centralised recruitment system (5-2-primopredajni-zapisnik-normativni-okvir-67a8a4c5171b7.pdf) 3) Methodology for the development and evaluation of tasks for assessing key competencies and the creation of tasks for assessing key competencies (5-3-primopredajni-zapisnik-67a8a4c4e5ade.pdf) 4) Development of functional, nonfunctional and infrastructure specifications of the IT system (5-4-primopredajni-zapisnik-67a8a4dd26559.pdf) 5) Development and setting up of the test and production environment of the IT system for selection (5-5-primopredajni-zapisnik-67a8a4e4529cb.pdf) 6) Testing and putting into motion of the IT system (5-6-primopredajni-zapisnik-67a8a5084e2e3.pdf) 7) Preparation and development of educational content and materials (5-7-primopredajni-zapisnik-67a8a5086ca32) 8) Education finalised (5-8-primopredajni-zapisnik-67a8a51228227.pdf) 9) Delivery of documentation, program code and the final delivery of the system (5-9-primopredajni-zapisnik-67a8a51275acc.pdf)
6	Contract 71/22 (4-a-ugovor-br-71-22-67a8a4a5cf8c3.pdf)	Contract
7	Workload analyses	Workload analyses provided by relevant state bodies

	(14 documents)	
8	Admissions plan (5-10-tablica-67a8a5e73adaa.pdf)	Extract of the recruitment plans prepared by state bodies following the analyses of needs.
9	Guidance for the implementation of new centralised selection system (5-2-2-smjernice-za-implementaciju-novog-modela-67a8a4c552ee3.pdf)	This document provides normative guidelines for the implementation of the new model of a centralized selection system.
10	Analysis of the situation and comparative analysis of the models of centralized selection systems and normative framework in the EU member states (5-1-1-analiza-stanja-i-komparativna-analiza-67a8a4c5c78f8.pdf)	Analysis developed as the Activity 1 of the project (see takeover records, Evidence No. 5, document no. 1)
11	Technical specifications of Centralised Recruitment System (18 documents)	This document describes the functional and technical functionalities of the Centralised Employment System, which among others include: landing page, login to the system, planning of human resources functionality, vacancies, user profile, testing module, interview module, administrative support, etc.
12	Models of the systems (13 documents)	Document describing the case of use of a particular functionality and defining the steps in that process.
13	Guidance for the preparation of exams (20 documents)	Guidance for the preparation and grading of the exams for different groups of knowledge and skills to be tested in the recruitment procedure with the examples of exercises/questions.
14	Plan and program for educations	Excel table containing the education modules and topics with dates and times of their execution.
15	A link to Centralised Recruitment IT system	https://selekcija.gov.hr/
16	Proposal of a centralized selection system applicable for the Republic of Croatia (5-1-2-prijedlog-modela-67a8a4c5322c1.pdf)	This document is made in accordance with the project task, Activity 1. Analysis of the situation and comparative analysis of the model of a centralized selection system and the normative framework in EU member states with recommendations for the development of a centralized selection system for state bodies in the Republic of Croatia. It proposes a model of a centralized selection system applicable to the Republic of Croatia.
17	A link to a database with all the calls for recruitment since the establishment of CRS IT system	https://selekcija.gov.hr/natjecaji/objavljeni-natjecaji
18	Database with all the calls published prior to the establishment of new CRS	https://mpudt.gov.hr/UserDocsImages/22298
19	Extract from the database of new CRS IT system with new recruits	Extract from the database of new CRS IT system with new recruits since the establishment of the system on

	(nadzor-natjecaji-67bcab7c41984.xlsx)	1 November 2024 until the 31 December 2024, the indicative deadline for the completion of this target.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

A centralised selection system for civil servants shall be introduced (…)

Authorities provided the Law on Civil Servants (Published in the Official Gazette (No. 155/23) on 12 December 2023 and entered into force on 1 January 2024, with delayed entry into force on 1 June 2024 for articles 60 and 61; on 1 July 2024 for articles 66-73; and 1 January 2026 for articles 62-65 in accordance with the provisions in Article 176 (Evidence No.2)). Article 57 of this act has set the legal ground for the creation of the Centralised Recruitment System (hereinafter referred to as: CRS), referring solely to CRS as the available means for the recruitment in civil service. Article 58 describes the functionalities of the IT system.

The Ministry of Justice and Public Affairs (hereinafter referred to as: MOJPA) signed a contract (Evidence No. 6) with Omega Software d.o.o. (hereinafter referred to as: contractor) committing to the delivery of service of developing a centralised recruitment system. Takeover records signed by both MOJPA and the contractor on 30 October 2024 confirm that the IT system with all its corresponding technical documentation is delivered and operational as from that date (Evidence No. 5).

(…) 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.

Furthermore, authorities have provided workload analyses prepared by the state bodies, identifying the activities requiring further human resources to be carried out and the number and new employments needed (Evidence No. 7). Following the workload assessment, each of the state bodies that prepared the workload assessment has developed a reception plan, as confirmed by the extract of the admissions plans from the CRS, which includes specific profiles needed for each state body (Evidence No. 8). The workload analyses and reception plans thus provide the basis for using the centralised selection system considering the actual needs of public authorities to recruit specific profiles.

The system shall provide that, in the recruitment process, candidates are tested online to ensure a more transparent and objective selection of candidates.

Guidance for the implementation of new centralised selection system (Evidence No. 9) describe in section *2.6 Testing and ranking of the candidates based on the test results* the means and procedures related to the testing of candidates. In particular, this section stipulates that the technical requirement for testing is a computer with a certain technical specification, such as the RAM capacity, processor speed, type of operating systems and web browsers. Furthermore, identification is done through a camera following which candidates can access the tests via their e-Citizen account (requiring high security level authentication and identification, ensuring credibility and objectivity), where they will receive a link to open the test which consists of a randomly selected set of questions for the competences that need to be tested for a certain post. This section describes also that the test results are pondered based on the main competencies requirements for the post and the candidates are ranked based on the results, confirming that the selection process is

transparent and objective, ensuring that the best and most competent candidates are selected. This was further developed into technical specifications of the CRS IT system (Evidence No. 11, system model UC007 Selection tests). Takeover records (Evidence No. 5, documents 6 and 9) confirm that the contractor successfully delivered the IT system in its entirety.

Furthermore, this is also in line with the description of the reform, which states that **the system shall ensure recruitment of the best and most competent candidates, thereby contributing to improving the efficiency of the public administration.**

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.

Articles 57 and 58 of the Civil Servants Act sets the legal requirement that all the requirements are done through the new centralised, digitised and standardised CRS recruitment system (See Evidence No. 2 and 3). Takeover records of the CRS were signed on 30 October 2024 making the system fully operational (Evidence No. 5, document 9). Prior to the enforcement of the respective article, MOJPA, as the entity responsible for the recruitments in civil service, published all the vacant posts in a database on their website. Authorities provided a link to the database, confirming that the last call for recruitment published following the old model took place on 19 October 2024 (Evidence No. 18). In addition, a link to the database of the new CRS IT system is also provided, listing all the announcements of posts and recruitments that were done through the IT system since its establishment (Evidence No. 17), clearly indicating that all new recruitment procedures in the civil service are done only through the new system.

In line with the description of the measure, **a comparative analysis of the design of centralised employment systems in the EU Member States and drafting of the proposal for a new employment model shall be developed**. Authorities provided the *Analysis of the situation and comparative analysis of the models of centralized selection systems and normative framework in the EU member states* (Evidence No. 10), which was a deliverable of the Activity 1 of the project, as confirmed by the takeover records (Evidence No. 5, document 1). Following the analysis, a proposal for a recruitment model suitable for Croatia was prepared, which was also provided by the authorities (Evidence No. 16).

Furthermore, in line with the description of the measure, **the investment shall include 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.** Authorities provided the Law on Civil Servants (Evidence No. 2 and No. 3), as well as the Regulation on the Employment procedure in the civil service (Evidence No.4) which constitute amendments to the legislative framework for the employment of civil servants in state administration bodies, professional services and government offices.

Furthermore, in line with the description of the measure, **the investment shall include development of standardised tests and training**. Takeover records provided by Croatian authorities (Evidence No. 5, documents 7 and 8) confirm that activities 7, *Preparation and development of educational content and materials*, and 8, *Implementation of educations*, was delivered successfully by the contractor. Authorities have also provided the plan for carrying out the educations (Evidence No. 14).

Moreover, in line with the description of the measure, **IT platform shall be developed and tested**. Takeover records for the activities 5 and 6 of the project, namely *Development and setting up of the test and production environment of the IT system for selection* and *Testing and putting into motion of*

the IT system (Evidence No. 5, documents 5 and 6), confirm that the IT system was tested and put in place. A link to the IT system was provided (Evidence No. 15) confirming additionally that the system is operational. The website of the online platform (Evidence No.15) was accessed and checked by Commission services on 23 April 2025.

The Commission services conducted an on-the-spot check on 26 February 2025 to verify the design of the centralised IT recruitment system, module for searching vacancies, module for application, module for carrying out the testing and module for viewing results. The Commission verified that the IT platform for recruitment is in place and operational in line with the CID requirements. This check was completed successfully, confirming that the IT platform was developed in line with the specifications, allows for a fully centralised and online system of testing and provides sufficient transparency.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 178 Establishment of the central interoperability system

Related Measure: C2.3 R2-I1 Establishment of a central interoperability system

Qualitative Indicator: Report from the Central Office for the Development of Digital Society (SDURDD) that the system is operational and tested for use

Time: Q3 2024

1. Context:

The objective of this investment is to remedy the current fragmentation of public authority registers by building a central interoperability system.

Milestone 178 requires the central interoperability system to be online and accessible. The central interoperability system includes a central national portal, it ensures the online provision of 19 administrative procedures to EU cross border users, it integrates and interconnects at least eight additional existing core public registers into the system, and it ensures that the information on the various registers is consolidated in one place and available to public administrations, citizens and businesses.

Milestone 178 is the only milestone of this investment. The investment has a final expected date for implementation on 30 September 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the milestone was satisfactorily fulfilled
2	Central Interoperability Portal	Link to the Central Interoperability Portal provided in the cover note.
3	Contract for the set-up of the Central Interoperability Portal	The contract for the setup of the Central Interoperability Portal signed between Central State Office for the Development of the Digital Society (Središnji državni ured za razvoj digitalnog društva) (SDURDD) and the contractor.
4	Technical Specifications for the Central Interoperability Portal	Technical specifications by the contractor for the set-up of the Central Interoperability Portal.
5	Handover Certificate	Handover certificate for the delivery of the Central Interoperability Portal.
6	Testing documentation	Testing Scenarios detailing the tests performed on the Central Interoperability Portal.
7	Report from the Ministry of Justice, Public Administration and Digital Transition	Report from the Ministry of Justice, Public Administration and Digital Transition (previously Central State Office for the Development of the Digital Society, SDURDD) that the 19 online Administrative procedures listed in Annex II of the Single Digital Gateway Regulation are provided online, with links: 1) Requesting proof of registration of birth, 2) Requesting proof of residence, 3) Applying for a tertiary education study

		financing, such as study grants and loans from a public body or institution, 4) Submitting an initial application for admission to public tertiary education institution, 5) Requesting academic recognition of diplomas, certificates or other proof of studies or courses, 6) Request for determination of applicable legislation in accordance with Title II of Regulation (EC) No 883/2004 (1), 7) Notifying changes in the personal or professional circumstances of the person receiving social security benefits, relevant for such benefits, 8) Application for a European Health Insurance Card (EHIC), 9) Submitting an income tax declaration, 10) Registering a change of address, 11) Registering a motor vehicle originating from or already registered in a Member State, in standard procedures, 12) Claiming pension and pre-retirement benefits from compulsory schemes, 13) Requesting information on the data related to pension from compulsory schemes, 14) Notification of business activity, permission for exercising a business activity, changes of business activity and the termination of a business activity not involving insolvency or liquidation procedures, excluding the initial registration of a business activity with the business register and excluding procedures concerning the constitution of or any subsequent filing by companies or firms within the meaning of the second paragraph of Article 54 TFEU (different links depending on business activity or professional activity), 15) Registration of an employer (a natural person) with compulsory pension and insurance schemes, 16) Registration of employees with compulsory pension and insurance schemes, 17) Submitting a corporate tax declaration, 18) Notification to the social security schemes of the end of contract with an employee, excluding procedures for the collective termination of employee contracts, 19) Payment of social contributions for employees.
8	Contract for the integration of administrative procedures with the OOTS	Contract for the integration of the administrative procedures with the Once Only Principal Technical System (OOTS) established by the European Commission between Central State Office for the Development of the Digital Society (SDURDD) and the contractor.
9	Technical specification for the integration with OOTS platform	Technical specifications by Central State Office for the Development of the Digital Society (SDURDD) on the work to be provided by the contractor for the integration of the administrative procedures with the OOTS.
10	Handover Note for the integration with OOTS platform	Final handover notes signed by the Contractor and Central State Office for the Development of the Digital Society (SDURDD).
11	Testing documentation for the integration with OOTS platform	Three test books for the integration of the online procedures with the Once Only Principal Technical System (OOTS) on: i) e-Services, ii) Evidence Providers, iii) Evidence Requests, and a Test case list.
12	User manuals for cross	Three user manuals developed by the contractor for: i) system

	border services	administrator, ii) evidence requests, iii) evidence providers.
13	Core registers integrated in the Central Interoperability System	List of registers integrated into the Central Interoperability System, including 12 core registers integrated as part of this investment, with links to Metaregistar and the indications of their connection to the Government Service Bus (GSB).
14	On-the-spot check	An on-the-spot check was carried out on 11 July 2025 with the Ministry of Justice, Public Administration and Digital Transformation (MJPADT).

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

The central interoperable system, providing for the interoperability of registers, shall be online and accessible.

Interoperability of registers refers to the ability of different public authority registers to share resources, ensuring that these resources are connected and communicate with one another in a coordinated manner. Under this investment, activities were carried out to ensure the interoperability of public authority registers, by putting the central interoperability system online and making it accessible. As part of this investment, a central national portal (hereinafter: the Central Interoperability Portal) has been established, which provides a central access point to the system for users. This portal has been integrated with other parts of the central interoperability system that preceded this investment, including the Government Service Bus (hereinafter: the GSB), which is a platform that enables the integration of public registers, and the Metaregister, which is a site that displays information on the various national register in one consolidated place. Additionally, as part of this investment, new core public registers have been integrated into the system, thereby increasing the number of interoperable registers, and the Metaregister has been updated with information on the newly integrated registers. The central interoperability system also provides online services to users (citizens and businesses) and their scope, particularly online services for EU cross border users, has been expanded under this investment. All these activities, undertaken under this investment are expanded upon below.

The central interoperable system enables the interoperability of public authority registers. The integration of the registers is facilitated by the GSB, and at the time of evidence submission, 46 registers have been integrated, 12 of which as part of this investment, as listed in Evidence No. 13. This number is growing based on demand from public administration bodies who have not yet integrated their registers. The interoperability of the registers is demonstrated by the way in which public authorities that are connected to the central interoperability system can access information from registers other than their own, as presented to the Commission services during the on-the-spot check on 11 July 2025. The interoperability of the system on the level of the end users (citizens and businesses) is demonstrated in the User Manual for Information requests under the Once Only Principal Technical System (hereinafter: OOTS) platform (Evidence No. 12, part ii, pages 7-8). This document provides explanations illustrating how users of the system can request the inclusion of information from other integrated registers into their ongoing procedures, without having to supply documents themselves.

The central interoperability system is online and made accessible via the Central Interoperability Portal, to which the Croatian authorities provided a link (Evidence No. 2), which was accessed and

verified by Commission services on 31 October 2025. Users can visit the Portal either anonymously or with log-in. Anonymous users can access information on the central interoperability system and the national information infrastructure. With the log-in options available in the banner of the website, users (citizens and businesses) have access to online services. The log in is enabled through the integration between the Portal, the National Identification and Authentication System (a system that represents a central point of identification and authentication of users when signing up for an online service), and e-Authorisations (which provides additional authentication to persons conducting activities for businesses they represent), which is explained in the Technical Specifications for the development of the Central Interoperability Portal (Evidence no. 4, pages 33-36), and has been successfully tested (Evidence no. 6, pages 40-42).

The Commission services conducted an on-the-spot check on 11 July 2025 (Evidence no. 14) to verify that the central interoperability system is online and accessible and provides for the interoperability of registers. The authorities demonstrated the Central Interoperability Portal website and its content. To demonstrate how the public administration bodies communicate between themselves under the central interoperability system, the authorities showed an example of the back-end system, not visible to users other than administrators of the system. The authorities showed requests being made from one public body's application to another's register, thereby providing proof of the interoperability of the registers, and showed how public administrations can access information from registers other than their own that are part of the central interoperability system. The check was completed successfully, confirming the central interoperability system is online and accessible, and provides for the interoperability of registers.

[The central interoperable system shall] … ensure the online provision of 19 administrative procedures listed in Annex II of the Single Digital Gateway Regulation to EU cross border users

Links were provided to the 19 administrative procedures, listed in Annex II of the Single Digital Gateway Regulation, that have been made available in the system, in the Report from the Ministry of Justice, Public Administration and Digital Transition (Evidence No. 7, pages 3-44) along with snapshots illustrating the initiated administrative procedures.

The procedures are made available to EU cross border users through two technological solutions: by being linked to the OOTS European Commission platform, or through the eIDAS node, which is designed to enable cross-border authentication by acting as a bridge between national identity systems. The Croatian authorities provided the contract for the delivery of the works signed on 9 November 2023 (Evidence No. 8), the Technical Specifications for the works (Evidence No. 9), the handover certificate for the delivered works from 29 May 2025 (Evidence No. 10), as well as the testing documentation (Evidence No. 11).

The Commission services conducted an on-the-spot check on 11 July 2025 (Evidence no. 14) to verify the online provision of the 19 administrative procedures to EU cross border users. The authorities demonstrated that the links for the 19 procedures were functioning and showed how a user from another Member State would access the service. The check was completed successfully, confirming that the online provision of the 19 administrative procedures listed in Annex II of the Single Digital Gateway Regulation to EU cross border users.

[The central interoperable system shall] … include the central national portal

The Croatian authorities have provided the link to the Central Interoperability Portal (Evidence No. 2), which is the central access point for users (citizens and businesses) to initiate online administrative procedures. The Croatian authorities have provided the contract for the delivery of

the Central Interoperability Portal signed on 3 August 2022 (Evidence No. 3), the Technical Specifications for the Portal (Evidence No. 4), the handover certificate for the delivered works and putting the portal in the live environment from 31 January 2023 (Evidence No. 5), and the testing documentation (Evidence No. 6), which prove that the Central Interoperability Portal has been established as part of the central interoperability system.

The use of the Central Interoperability Portal was demonstrated during the on-the-spot check on 11 July 2025 (Evidence no. 14) and the website of the Portal was accessed and checked by Commission services on 31 October 2025. The portal contains information on ready-to-use components of the state information infrastructure including e-services by listing all IT tools available to public bodies that join the central interoperability system, instructions on how public bodies can get their register integrated into the interoperability system via the GSB, and general information on interoperability at the national and at the EU level for users and public authorities.

[The central interoperable system shall] … integrate and interconnect at least eight additional existing core public registers into the system.

The Croatian authorities have provided evidence on the integration and interconnection of 12 existing core public registers into the GSB (Evidence No. 13, pages 1-4). These core registers include: 1) Register of Personal Identifier Numbers, 2) The Book of Citizens, 3) Record of Births, 4) Record of Deceased Persons, 5) Record of Wedded Persons, 6) Register of Life Partnerships, 7) The Companies Register, 8) The Sole Proprietor Register, 9) Family Farm Register, 10) Registers of Persons Insured and Users of Rights from the Croatian Pension Insurance Institute, 11) Register of Spatial Units, and 12) Land Books and Cadastre.

The Commission services conducted an on-the-spot check on 11 July 2025 (Evidence no. 14) to verify that at least eight existing core public registers were interconnected and integrated into the central interoperability system. The authorities showed the interface from the Metaregister, where one could see the registers integrated into the GSB, as well as indication of which of these registers were "core registers". The check was completed successfully, confirming that at least eight existing core public registers were interconnected and integrated into an interoperable central register.

[The central interoperable system shall] … ensure that the information on the various registers is consolidated in one place and available to public administrations, citizens and businesses.

Information on the various registers that are part of the central interoperability system can be accessed by public administrations, citizens and businesses under the Statistic section of the Central Interoperability Portal website, via the link provided in Evidence No. 2. The link was accessed and verified by the Commission services on 31 October 2025. This feature is described in the Technical Specifications for the Central Interoperability Portal (Evidence No. 4, page 36). Aside from the consolidated information on the registers, which is constantly being updated as the number of integrated registers grows, the site provides information on the number of web-services and public administration entities that are part of the central interoperability system, ensuring ongoing transparency. Additionally, information on individual registers is available on the Metaregister. Such evidence was provided of the Metaregister for the 12 core registers integrated and interconnected into the central interoperability system as part of this measure (Evidence No. 13, pages 1-4), demonstrating that for each of these registers the users of the website can find out the details on the register, the way the information in the register is gathered, which information the register contains, and which documents can be issued from the register.

The Commission services conducted an on-the-spot check on 11 July 2025 (Evidence no. 14) to verify that information on the various registers is consolidated and made available on the Central Interoperability Portal and via the Metaregistar, which contains information on the individual registers. This check was completed successfully, confirming that the information on the various registers is consolidated in one place and available to public administrations, citizens and businesses.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 185 Digital Identity Card e-signature

Related Measure: C2.3 R3-I5 Digital Identity Card Deployment Project

Quantitative Indicator: Number

Baseline: 0

Target: 300000

Time: Q4 2024

1. Context:

The objective of this investment is to promote the use of electronic signatures in citizens' interaction with the public administration.

Target 185 requires that Certilia mobile application is downloaded 300 000 times via Google Play Store and App Store. Additionally, according to the description of the target 100 000 certificates must be issued for remote qualified electronic signature, and Certilia mobile application and personal mobile credentials must enable at least 50 000 unique users to execute the authentication process at least 700 000 times.

Target 185 is the only target of this investment. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Report on the implementation of the Project on the introduction of the remote e-ID	Report by the contractor on the implementation of the remote-ID, with links to Android mobile application and iOS mobile application
3	List of Issued eID certificates for remote qualified electronic signature in the period 02.08.2021 – 31.12.2024	List of certificates issued that are the basis for selecting the sample
4	Sample of 60 certificates for remote qualified electronic signature	The certificates requested by the Commission as part of the sampling exercise

5	Lists of unique users of the eID/personal mobile credentials for electronic authentication and authentications performed in the period 02.08.2021 – 31.12.2024	Four lists showing the number of unique users who executed authentication in parts of the period in the period 02.08.2021 – 31.12.2024, with each list covering a different part of the reference period
6	Lists showing the number of downloads of Certilia Android and iOS mobile application in the period 02.08.2021 – 31.12.2024	Two tables providing information on downloads, one via Google Play Store and the other for App Store do
7	Confirmation of deployment of Digital Identity Management System into production	A certificate signed by the contractor on the deployment of the Digital Identity Management System (IDP).
8	Template Contract for the Certification	Contract signed between AKD and persons to whom the remote qualified electronic signature is issued
9	Confirmation of deployment of the signing system and the mobile applications	A certificate signed by the contractor on the deployment of mobile signing system and Certilia mobile application for Android and iOS devices

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Certilia mobile application shall be downloaded 300 000 times via Google Play Store and App Store.

As evidence on the number of downloads in the Google Play and App Store, the Croatian authorities submitted a set of lists with all downloads performed (Evidence no. 6). As stated in the Report by the contractor (Evidence no. 2, page 10) Certilia mobile application was downloaded 346 959 times between 2 August 2021 and 31 December 2024, with the app for Android accounting for 219 303 downloads and the app for iOS accounting for 127 656 downloads. The report also contains screenshots of the number of downloads from the mobile application websites for application managers for Android (Evidence no. 2, page 10) and iOS (Evidence no. 2, page 11), which shows the dynamics of downloads over time.

Additionally, 100 000 certificates shall be issued for remote qualified electronic signature.

The Croatian authorities submitted an anonymised list of 158 833 certificates for remote electronic qualified signatures for the period between 2 August 2021 to 31 December 2024 (Evidence no. 3).

The evidence provided for a sample of 60 units (Evidence no. 4) confirmed that 100 000 certificates have been issued for remote qualified electronic signature. The serial identification number of the remote qualified electronic signatures in the 60 certificates that constituted the sample were checked against the serial identification numbers assigned to those specific items, as submitted in the list containing all the 158 833 certificates. All 60 sampled remote qualified electronic signatures

had the identical serial number to those that have been indicated in the extensive list of the total number of certificates for remote electronic qualified signatures.

Certilia mobile application and personal mobile credentials shall enable at least 50 000 unique users to execute authentication process at least 700 000 times.

The Croatian authorities submitted four lists containing data entries of 92 894 unique users of remote eID, which used the Certilia mobile application to authenticate themselves 3 071 531 times in the period from 2 August 2021 until 31 December 2024 (Evidence no. 5). The lists contain the anonymised IDs of the users and the time of the login, as well as the kind of credential used for the authentication. The lists submitted under Evidence no. 5 (also in line with evidence No. 2 page 7) have been taken from the data logs of the Certilia Digital Identity Management System (IDP).

Furthermore, in line with the description of the measure, **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 authorities provided a certificate signed by the contractor on the deployment of the Digital Identity Management System (Evidence no. 7). With this certificate, Agencija za komercijalnu djelatnost d.o.o. (hereinafter: AKD), the contractor, has certified that the Digital Identity Management System (hereinafter: IDP) is delivered and in operation. A screenshot of the IDP is attached to the certificate on page 2 of Evidence no. 7. The Digital Identity Management System subsequently enabled the deployment of remote applications for Android and iOS users. These applications allow users to use remote certificates for a remote qualified electronic signature.

Regarding the mobile signing system, the authorities provided a Handover note on the deployment of the mobile signing system, deployed from 13 June 2021 (Evidence no. 9). The Council Implementing Decision required that the Digital Identity Management System (IDP) and mobile signing system will be set up to issue remote certificates for a remote qualified electronic signature. Regarding the issuance of the remote certificate, the authorities submitted a template contract (Evidence no. 8) which is signed by individuals that acquire an Electronic Identity (hereinafter: e-ID) in Croatia and which also gives them the option to request the remote e-ID, a remote certificate, that allows them the use of the mobile signing system in Certilia mobile application (Article 2 and General Terms, Part 3). As per the signing of the documents based on the remote certificate the Report by the contractor (Evidence no. 2, page 4) describes that users of the application can use it to sign documents issued by the public bodies, without the use of card readers, via the developed application. The Recovery and Resilience Plan provides for Activity 4 titled Design and the implementation of a system and application for mobile signature. In multiple instances the Recovery and Resilience Plan refers to the remote e-signature of documents that the mobile application will allow and adapting the system and technical solution for the remote e-signature. However, it does not point to the mobile signing system being a precondition for the issuance of the remote certificate, nor does it state that the remote certificate will be issued with the use of the mobile signing system. This is also explained in the text of the Council Implementing Decision which states that the issuance of such certificate is a pre-requisite for signing documents electronically on mobile platforms or in mobile signature applications. The evidence submitted points to the fact that mobile signing system is not used "…to issue remote certificates for a remote qualified electronic signature". Instead, the remote certificate which is being issued allows persons to use the mobile signing system. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, it concerns the internal procedures of the Member State regarding the way the remote qualified electronic

signature is executed, and how the remote certificates are used to enable such a remote qualified electronic signature. As of this, this minimal deviation does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the issuance of such certificate is a pre-requisite for signing documents electronically on mobile platforms or in mobile signature applications.**

The certificate is a pre-requisite for the electronic signature of documents on mobile platforms or in mobile signature applications. As provided in Evidence no. 8., under Section 3 of the General Condition of the Contract which is signed by AKD and persons to whom a e-ID certificate is being issued, the remote certificate for a remote qualified electronic signature has the legal force and replaces the handwritten signature of the person to whom the certificate is issued.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 190 Digital e-public services integrated into the new mobile platform

Related Measure: C2.3 R3-I8 Creation of a digital mobile platform

Quantitative Indicator: Number

Baseline: 0

Target: 20

Time: Q4 2024

1. Context:

The objective of this investment is to create a mobile digital public service platform for citizens to easily use online public services on their smartphones.

Target 190 requires the integration of 20 online public services (eServices) into the mobile platform and their operational use.

Target 190 is the only target of this investment. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Report from the Ministry of Justice, Public Administration and Digital Transformation	Report from the Ministry of Justice, Public Administration and Digital Transformation (MJPADT) (previously Central Office for the Development of Digital Society - SDURDD) on the 20 eServices which are integrated and operational for use, with screenshots of the platform and the mobile application services, and respective links to: i. The iOS application ii. The Android application
3	Specification of a mobile platform and application mGrađani (mCitizens)	Two specifications by the contractor: i. Technical Specifications ii. Functional Specification

4	Certificate of completion from contractor	Signed certificate by contractor Ericsson Nikola Tesla d.d. for delivering the platform and application in the production environment and detailed technical documentation on the platform and application
5	User Manual	Administrator user manual for the mobile platform by the contractor and MJPADT
6	Monthly reports on NIAS upgrade	3 signed list of services delivered in 2025 by the Financial Agency (FINA) for the upgrade of the National Identification and Authentication System (NIAS) and the e-Authorization Service for: i)January 2025, ii) February 2025, iii) April 2025
7	Statement and Justification of Technology Stack for mGrađani	Explanation of contractor for selection of underlaying technologies for the platform and application.
8	Signed contract for the development and establishment of a digital mobile platform and application	Contract signed by client Ministry of Justice, Administration and Digital Transformation and contractor Ericsson Nikola Tesla d.d. for the development and establishment of a mobile platform and application in accordance with the functional and technical specifications defined by the project task and the functional specifications of e-services.
9	On-the-spot check	An on-the-spot check was carried out on 31 July 2025 with the Ministry of Justice, Public Administration and Digital Transformation (MJPADT).

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

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 employment status, 18) e-

Administrative proceedings, 19) assurance that no criminal proceedings are pending, 20) e-Child card – Mudrica.

As part of this investment, a mobile platform and mobile application have been built, where the platform serves as a back-end system that supports the mobile application. The name of the mobile application through which citizens can access mobile public services, eServices**,** is called m-Građani (hereinafter referred to as: "m-Citizen mobile application"). The m-Citizen mobile application includes a mobile platform (hereinafter referred to as: "m-Platform"), the back-end system through which the 20 e-Services have been integrated into the m-Platform and made available. The Report (Evidence no. 2) describes all the 20 services and how they are being provided online, and the certificate of completion from the contractor on developed the m-Platform and m-Citizen mobile application mentions the testing performed for the functioning of the 20 eServices (Evidence no. 4, page 2).

The Commission services conducted an on-the-spot check on 31 July 2025 (Evidence no. 9) to verify that the 20 eServices, of which screenshots were submitted (Evidence no. 2, pages 8-20), were integrated into the mobile platform and operational for use. During the check the Croatian authorities opened each of the 20 eServices on a mobile device that was used to perform the demonstration. The check was completed successfully, confirming that the 20 eServices listed in the target description are integrated into the mobile platform and operational for use.

Furthermore, in line with the description of the measure: **This investment, using state-of-the-art technologies and standards, shall build a platform that provides a standardised 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).**

The m-Platform has been built and it ensures public services are provided in a standardized way. The m-Platform enables the integration of the m-Citizen mobile application with the IT systems of public bodies that provide e-Services via the application. The signed contract for the development and establishment of the m-Platform and m-Citizen mobile application (Evidence no. 8) along with the certificate of completion from the contractor (Evidence no. 4) demonstrates that the m-Platform has been built and delivered as part of this investment. Furthermore, the Functional Specifications (Evidence no. 3 part ii), pages 17-20) set out all the functionalities of the m-Platform, and required that the m-Platform enables the integration of digital public services in a simple and standardized way.

Regarding the use of state-of-the-art technologies and standards, in Evidence no. 7, the contractor that delivered the m-Platform and the m-Citizen mobile application provides an explanation of why each of the various technical solutions were used and provides assurance that these solutions are state-of-the-art widely adopted technologies, selected for their advantages over alternatives. Such explanations are provided for each piece of software employed for the applications on page 2, and for the solutions used for the platform on pages 2-3.

The Commission services conducted an on-the-spot check on 31 July 2025 (Evidence no. 9) to verify that the m-Platform has been built, and to verify the standardized way of offering e-Services (Evidence no. 2). During the check, the Croatian authorities demonstrated the layout of the standardized services which ensures a consistent user experience, how the m-Platform works, how it can be used to modify existing services and add additional e-Services to m-Citizen mobile application. The check was completed successfully, confirming that the platform has been built and provides a standardized way of offering public services on mobile platforms.

The measure description states: **It [the investment] shall connect all related registers and databases to the Central Data Interchange Bus (GSB).**

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of investment C2.3 R3-I8 and has undertaken the assessment on a revised basis. In such description, it is stated that the investment shall connect all related registers and databases to the Central Data Interchange Bus (GSB). However, for putting in operation the mobile platform m-Platform and the m-Citizen mobile application it was not necessary to connect the registers to the GSB. The registers are already integrated in the GSB but this was done outside the scope of this measure. The activities under the measure were about creating the means to deliver the information held in the registers, which are already integrated via the GSB, to the e-Services on the smartphones being provided by the m-Citizen mobile application. This is evident from the description of Activity 3 of Investment C2.3 R3-I8 as described on page 300 of the Recovery and Resilience Plan which states that all elements (of the mobile application) will be linked to the GSB. Furthermore, on page 301 of the Recovery and Resilience Plan an activity of linking to the GSB is costed as one of the tasks connected to the set-up of the m-Citizen mobile application. This description of the activity has further been corroborated by exchanges with the Croatian authorities. Therefore, the description should state that the investment shall connect the mobile application to all related registers and databases on the Central Data Interchange Bus (GSB).

The evidence provided by the authorities proves the set-up of the API Gateway, and the connection of the API Gateway with the GSB, through which registers and databases are connected. The GSB is part of the Croatian Central Interoperability System and enables data retrieval from state-level registers which are integrated with its intermediation. The API Gateway is a key component in IT system design of the mobile application and acts as a "front door" for the m-Citizen mobile application to access data. The role of the API Gateway and the fact that it is integrated with the GSB is referred to in the Functional Specifications (Evidence no. 3, part ii, page 8) and explained in more detail in the Technical Specifications (Evidence no. 3, part i, pages 22-23 and 62). The activities created the means to deliver the information held in the registers, which are already integrated via the GSB, to the e-Services on the smartphones being provided by the m-Citizen mobile application. The m-Citizen mobile application and the e-services are available and in use, and the developed API Gateway ensured the related registers and databases integrated via the GSB can be accessed to retrieve the necessary information. Against this background, the justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

[..] 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.

The National Identification Authentication System (hereinafter: NIAS) was upgraded to the latest authentication trends for mobile platforms. Upgrading the NIAS and the e-Authorization Service (e-Ovlaštenja in Croatian) was a prerequisite for integrating the services and tailoring them for the m-platform and the m-Citizen application. The Croatian Financial Agency (hereinafter: FINA) carried out this upgrade, which has resulted in NIAS being supported by an OpenID Connect protocol which is the primary means of communication between the application and the platform. In Evidence no. 6, three upgrade reports on activities undertaken for the upgrade of NIAS have been submitted by FINA, each for a different period (January, February and March 2025).

The m-Citizen mobile application uses biometric authentication methods, including fingerprint or facial recognition, as outlined in the Functional Specification of the m-Citizen mobile application (Evidence no. 3, part ii, pages 12-14).

The Commission services conducted an on-the-spot check on 31 July 2025 (Evidence no. 9) to verify the biometric implementation methods. During the on-the-spot check it was demonstrated that following the initial login via the NIAS system, the application offers the possibility for the user to enable a biometric login and set up biometric data, such as a fingerprint or facial recognition. For subsequent logins, users have the option to either set a PIN code or enable biometric access. The check was completed successfully, confirming that modern biometric application methods are in place, and users can choose between PIN and biometric log-in methods.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 199 System for e-invoices and online VAT accounting

Related Measure: 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

Qualitative Indicator: Report from the Ministry of Finance – Tax Administration

Time: Q4 2024

1. Context:

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

Milestone 199 pertains to the set-up of a new IT system for registering electronic invoices (e-invoices) and establishing a VAT advanced online accounting system.

Milestone 199 is the only milestone of this investment. The investment has a final expected date of implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Final report of the project	Report from Ministry of Finance – Tax Administration, delivered by the contractor, demonstrating that 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 are operational and ready to use
3	Completion certificate	Certificate of completion from the contractor
4	Service contract	Contract for development services with the contractor for electronic payment
5	User manual FiskAplikacija	Instruction manuals for web application for fiscalisation and VAT accounting - FiskAplikacija

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

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.

The new system for registering electronic invoices in the Tax Administration is operational and ready for use. The system is accessed through public e-Tax Administration portal, accessible on ePorezna - Jedinstveni portal Porezne uprave. The Report from Ministry of Finance – Tax Administration, delivered by the contractor (Evidence no. 2.) verifies that the system has been successfully implemented and is functioning as intended. The report outlines the successful completion of all necessary phases of the project, indicating that the system is fully operational and meets the requirements. This is also understood from the Handover certificate which lists all the executed project phases, including putting the different parts of the system into production (live) environment (Evidence no. 3). The Handover certificate specifically lists the delivery of parts of the system for registering electronic invoices, one part for the B2B model (Evidence no. 3, page 3), and another one for taxable persons for public procurement (Evidence no. 3, page 2).

Furthermore, this is also in line with the description of the measures which states that […] **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 successfully established an advanced online VAT accounting system. This was done through the development of the FiskAplikacija (Taxpayer web Application). This application empowers taxpayers to monitor all fiscalised invoices in real-time, encompassing both cash and non-cash payments (Evidence no. 5, pages 6-9).

The Commission services conducted an on-the-spot check on 17 June 2025 to verify the functionalities of the IT system and the relevant online applications. The authorities showed the system, including the FiskAplikacija (Taxpayer web Application), and how the system can be used both by businesses and by the tax authority. This check was completed successfully, confirming that the new system for registering electronic invoices in the Tax Administration for all users and advanced online VAT accounting is operational and ready to use.

Furthermore, in line with the description of the measure, **the investment is expected to contribute to the simplification of tax returns by reducing the number of forms required and support tax compliance.**

With the implementation of the new online tax accounting system and the FiskAplikacija web application, the complexity of tax submissions has been greatly decreased. Due to the prefilling of the tax forms and eliminations of some forms (Evidence no. 2), taxpayers now face fewer forms to complete, which not only simplifies the process but also enhances the accuracy of tax submissions. By leveraging data from the e-invoicing system, taxpayers benefit from prefilled information, reducing the likelihood of errors and ensuring that submissions are complete and compliant with regulatory standards. Six forms related to invoice registers and VAT are no longer necessary: 1) the PPO (domestic delivery with transfer of tax obligation), 2) U-RA (received invoices), 3) I-RA (issued invoices), 4) PDV-S (VAT for renting via foreign agencies), 5) PDV-F (record of invoices of goods sold for the purpose of obtaining a refund of passenger transport), and 6) DONH (report on the donation

of food). This reduction streamlines the tax reporting process, allowing taxpayers to navigate their obligations with greater ease and efficiency, thus contributing to the simplification of tax returns.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 210 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

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

Time: Q4 2024

1. Context:

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

It is the first step in the implementation of the reform and will be followed by target 211, related to the sale of additional 20 SOEs in the CERP portfolio. The reform has a final expected date for implementation in Q2/2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target was fulfilled.
2	CERP Portfolio as of 31.12.2020	CERP portfolio as of 31 December 2020 listing all the SOEs the CERP managed at that time.
3	CERP Portfolio as of 07/03/2025	CERP portfolio as of 7 March 2025 listing all the SOEs the CERP managed at that time.
4	Link to active CERP portfolio publicly available for download.	https://www.cerp.hr/portfelj-cerp-a/dionice-i-poslovni-udjeli/114. On 9 October Commission services accessed this link and downloaded the updated CERP portfolio.
5	Proof of sale for each SOE	File for each sold SOE which includes several documents such as: i. the CERP decision on the sale of shares detailing the procedure, ii. or general assembly decisions on the transfer of minority shares to majority stakeholders iii. the CERP public invitation to purchase shares in the relevant SOE, iv. signed contract between CERP and buyer on the sale and transfer of shares, v. confirmation from court register on the transfer of shares.
6	The Act on legal entities owned by the Republic of Croatia (NN 102/2025), entered into force on 1	Act Regulating State-Owned Entreprises by Croatian public authorities (evaluated as part of milestone 208)

	October 2025	

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

At least 90 state-owned enterprises managed by CERP, which are not of particular interest to Croatia, shall be sold.

The Restructuring and Sale Centre (hereinafter referred to as: CERP) manages the shares in companies owned by the Republic of Croatia that are not considered to be of particular interest to Croatia, as laid out in the SOE Act article 7(2) (Evidence No. 6). A priority objective of the CERP is to facilitate the State's withdrawal from ownership by selling these companies.

The Croatian authorities have submitted relevant files for the sale of 114 state-owned enterprises (hereafter referred to as SOEs) including official CERP decisions on the sale of shares for the SOE in question, the CERP invitation to purchase shares of the SOE in question, signed contracts between the CERP and buyer, or court register confirmations of transfers of shares (grouped together in Evidence No. 5). The exact nature of the evidence depends on the sale method namely sale through public tender, sale with pre-emption rights, transfer of minority shares to main shareholder, sale on capital markets, takeover process, public bidding, or in a direct sale process. The files compiling documents to demonstrate the sale of an SOE were checked to verify the sale of 90 SOEs.

The Commission verified public notices and signed sales contracts for over 90 SOEs previously under the CERP portfolio to ensure the satisfactory fulfilment of the sale of 90 SOEs as requested by the target description.

As additional evidence of the sales of 114 SOEs, the Croatian authorities have provided extracts from this official CERP database showing the CERP portfolio of SOEs at different points in time. Comparing the CERP portfolio as of 31 December 2020 (Evidence No. 2) and 7 March 2025 (Evidence No. 3), it is demonstrated that the CERP portfolio of SOEs, which are not of particular interest to Croatia, has been reduced by more than 90 SOEs since 1 January 2021, thus exceeding the target value. This is confirmed by downloading the latest version of the portfolio of SOEs managed by CERP from their website (Evidence No. 4). On 9 October 2025, the most recent portfolio was accessed by Commission services, and the sales were verified. The active portfolio of SOEs that the CERP currently manages is publicly available for download on the CERP website (Evidence No. 4).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 212 Develop an IT system and a methodology for state-owned property portfolio reduction and faster and efficient activation of unused government assets

Related Measure: C2.4 R5 Optimisation of State-owned property management

Qualitative Indicator: Developed and implemented IT system and a methodology

Time: Q4 2024

1. Context:

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. It is the first step in the implementation of the reform and will be followed by target 213, related to increasing the commercialisation, streamlining and activation of state-owned property. The reform has a final expected date of implementation in June 2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Platforma URDN - Potvrda o stavljanju u produkciju siječanj 2025.pdf	Platform for the Effects of the Disposal of State-Owned Property (URDN) - Production Confirmation January 2025
3	Zapisnik o izvršenim uslugama - IRN - 29.03.2024.pdf	Record of performed services - Internal Real Estate Register (IRN)
4	Metodologija za smanjenje portfelja, 2023.pdf	Portfolio reduction methodology, 2023
5	Metodologija za upravljanje učincima, 2023.pdf	Methodology for impact management, 2023
6	IRN Projektni zadatak i razvijena metodologija.pdf	IRN Project assignment and developed methodology
7	IRN - prezentacija modela te strukture podataka i funkcionalnosti - primjeri snapshotova.pptx	IRN - presentation of the model and data structure and functionality - examples of snapshots
8	URDN - prezentacija modela te strukture podataka i funkcionalnosti - primjeri snapshots.pptx	URDN - presentation of the model and data structure and functionality - examples of snapshots

9	URDN - Početna stranica https://irn.mpgi.hr/ https://ispu.mgipu.hr/	Links to the IRN, URDN and ISPU platforms

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

Development of an IT system for the administration and management of the state-owned property portfolio shall be completed.

The IT system for the administration and management of the state-owned property portfolio comprises of: (i) an Internal Real Estate Register with E-public tender to manage state-owned real estate (hereinafter referred to as: IRN), and (ii) a Platform to monitor the Effects of the Disposal of State-Owned Property (hereinafter referred to as: URDN).

The IRN was completed on 29 March 2024 (Evidence No. 3 and 5). The URDN was developed by the IT department of the Ministry of Physical Planning, Construction and State Assets and has been operational since 11 December 2024 (Evidence No. 2). Croatia provided links to the two platforms (Evidence no. 9).

Commission services conducted an on-the-spot check on 23 June 2025 to verify that the IT system is operational, and the functionalities of the two platforms are aligned with the provided screenshots and the requirements of the Council Implementing Decision. This check was completed successfully, confirming that the IT system is fully operational, functionally integrated, and enables the disposal of state-owned property and efficient activation of unused state assets, as required by the Council Implementing Decision.

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).

Croatia developed two methodologies. One methodology (Evidence No. 4) establishes measures to optimise the management and accelerate the activation of unused state-owned assets in Croatia, with the goal of improving the efficiency of property management and effectively reducing the state-owned property portfolio. These include:

i) Legal and Regulatory Framework. The introduction and implementation of new and existing legal frameworks, including the Act on the management of real estate and movable property, which aims to optimize property management. This involves adopting binding instructions for officials, revising legislation, and drafting by-laws to guide property disposal processes.
ii) Decentralisation. By decentralising property management to local government units, commercial companies, and public institutions, the methodology facilitates faster and more efficient handling of property-related matters.
iii) Property Register Enhancements. The IRN helps maintain a current, uniform record of properties, track their status, realize their potential market value, and facilitate efficient management and disposal.

iv) Interoperable Information System. The IRN includes creating a sub-module for e-public tenders to streamline electronic public auctions for sales, leases, and rentals, ensuring wider participation, greater transparency, and more successful transactions.

v) Training and Education. Providing training for government officials and others involved in property management ensures they are well-versed in using the new system and understand the processes for managing and disposing of properties effectively.

vi) Control Mechanisms and Monitoring. Regular analysis and meetings at different organizational levels aim to assess the existing workload and impact of civil servants, ensuring accountability, increasing the number of disposal contracts, and facilitating tenders.

Through these measures, the methodology is developed to streamline the process, increase transparency and participation among contractual parties, reduce bureaucracy, and implement a systematic approach to the management and disposal of state-owned real estate.

A second methodology (Evidence No. 5) lays out procedures to assess and manage the impact of disposed state-owned property. The developed methodology aims to provide transparent decision-making, facilitate free disposal of state-owned property for public interest by encouraging donations to local/regional government units for projects that enhance public welfare, and maximise the economic, social, and developmental benefits for the disposal of public assets. Within the methodology, the URDN monitors and assesses the effects of asset management and disposal, ensuring data credibility and systematic control of the economic and social effects of property disposal within the Ministry of Physical Planning, Construction, and State Assets.

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.

As elaborated above, the developed methodologies facilitate the reduction of the state-owned property portfolio and the activation of unused state assets by foreseeing improvements in the legal and regulatory frameworks, enabling decentralised property management, establishing standardised procedures for handling property disposal cases and monitoring the impact of disposed state-owned property, improving accountability, and providing proper training for officials involved in the process.

Within this framework, the creation of the IRN establishes an interoperable information system for better record-keeping and transparency by providing a uniform, up-to-date record of properties and streamlining management processes, including e-auctions for property sales and leases, making the activation process more transparent and efficient. The interoperability of the system, which was demonstrated during the on-the spot-check, allows authorised users to efficiently manage, dispose of, or activate state properties in compliance with the new legislative framework, thus enhancing efficiency.

The URND platform enables strategic planning and monitoring by providing up-to-date figures on the effects of disposed state properties to ensure that goals, such as reducing the property portfolio and activating unused assets, are being met effectively.

Furthermore, this is also in line with the description of the reform, which states that **the reform is expected to lead to faster activation and more efficient utilization of unused state assets.**

The IT system shall establish an electronic connection to the databases of other government administrations and institutions, improving existing internal records on of state-owned property portfolio of the target group.

The IRN and URDN platforms form an interoperable system that enables connection to databases managed and administrated by other government administrations and institutions. The interoperability of the systems was demonstrated during the on-the-spot check that Commission services conducted on 23 June 2025. The interoperability assures connection to other national data systems containing the information on property ownership (ZIS – Organised land portal), ePermit data, Register of Spatial Units (RPJ) data, data on valid spatial plans (eCatalog), Digital Cadastral Plan (DKP) data, OIB (personal identification number) register, ISPU (physical planning information system) locator, ISPU Geoportal and others, (slides 78 -82, evidence No.7). The IRN and URDN platforms improve existing internal records by providing a comprehensive database of existing and disposed state assets and ensure greater validity and systematic control of ministerial records.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 224 Upgraded eSpis system with new functionalities and new architecture integrated into the Shared Services Centre (CDU)

Related Measure: C2.5 R1-I1 Enhancing the Court Case Management System (eSpis)

Qualitative Indicator: 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.

Time: Q4 2024

1. Context:

The objective of the investment is to further upgrade the Court Case Management System (eSpis) and move towards a centralised hardware and software solution. This enables better and cheaper future upgrades thus ensuring the sustainable development of the system, and enhances the stability, operability and security of the eSpis system in light of a growing number of users.

Milestone #224 requires the implementation of new features to enable full electronic document delivery to citizens, improve user experience based on action plan recommendations, and establish an integrated architecture into the Shared Services Centre to enhance system performance and interoperability with other systems.

Milestone #224 is the only milestone of this investment, related to further upgrade of the Court Case Management System (eSpis). The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	User manual for e-Communication	The user manual contains guidance and screenshots demonstrating the functionalities of the e-Communication system, including sending and receiving messages and documents in the e-mailbox. Link: https://e-komunikacija.pravosudje.hr/api/prirucnici/download/e-Komunikacija%20-%20Korisni%C4%8Dki%20priru%C4%8Dnik.pdf.
2	Screenshot of e-Citizens portal, before and with e-Communication	Screenshots demonstrating that the e-Communication system is online and accessible via e-Citizens. Link to e-Communication: https://e-komunikacija.pravosudje.hr/.
3	Form/template for reporting a message to the user's box for information on electronic delivery in the	The templated form is intended to assist government bodies in describing which e-messages they provide or plan to provide to users. The form contains an example message to be sent to parties, including the invitation to join e-Communication, to receive future

	case of physical transmission of documents	communication from the courts fully electronically.
4	Screenshot of the message in the user's e-citizen mailbox that documents have been sent to the user by physical email	Screenshot demonstrating the delivery to the user's e-citizen mailbox of an information notice that documents have been sent to the user by physical email.
5	Screenshot of the message on full electronic delivery in the user's box	Screenshot demonstrating the delivery of a document to the user's e-citizen mailbox.
6	Final Certificate of completion from the contractor	Copy of the certificate of completion of the contract, including the report on completion and all conducted activities.
7	Action plan containing recommendations on technical and IT management aspects for further upgrades and improvements of the e-Communication application	The Action plan contains recommendations for further upgrades and improvements of the e-Communication application.
8	Report explaining how recommendations on technical and IT business management processes from the Action plan were implemented	Report demonstrates how recommendations on technical and IT business management processes from the Action plan (Evidence No. 7) were implemented.
9	Guidelines for judges with compilation of best practice in case-management related to E-communication	Guidelines for judges, addressing recommendation No. 39 from the action plan (Evidence no. 7,8).
10	Handover report concerning Activity 2	Copy of the certificate of completion of the activity. The activity is related to: Technical reengineering, functional upgrades, redesign of the e-Communications interface, creation of a web service for receiving documents from the e-Communications system for large users, and creation of a web service for retrieving case data and submitting submissions for large users of the e-Communications system.
11	Handover report concerning Activity 17	Copy of the certificate of completion of the activity. The activity is related to: Customer support.
12	Public Procurement Contract	The concluded public procurement contract lists the activities to be completed.
13	Complete Low-Level Design (LLD) form	The Low-Level Design document is a basic document that describes in detail the IaaS (Infrastructure as a Service) project hosted on the Shared Services Centre

		(SSC) platform. The document defines in detail the target architecture of the system that has been adopted. The LLD document contains information about the architecture of the system that is the subject of migration, information about the URL service of the future hosted service and the API service, information about the network configuration and server configuration, network disk configuration, Load Balancer settings and Firewall and backup settings, and a display of the responsibility matrix.
14	Handover report concerning Activity 1	Copy of the certificate of completion of the activity. The activity is related to: Development of the architecture of the eSpis system software platform for operation in the Shared Services Center (SSC), eSpis system architecture.
15	Handover report concerning Activity 4	Copy of the certificate of completion of the activity. The activity is related to: Technical reengineering of the eSpis application: preventing application unavailability if some external systems or services used by eSpis are not available.
16	Shared Services Centre Platform Explanatory Document	SSC Platform explanatory document demonstrating that the SSC has two locations and provides a "Disaster recovery" (DR) functionality and that the SSC environment achieves availability (SLA availability) of 99.982%.
17	Consent of the registry manager for access to the ZIS system (land registers and cadastre) CLASS: 650-02/24-01/28, URNUMBER: 514-16-04-03/5-24-27 of 23 September 2024	Consent to the Ministry of Justice, Administration and Digital Transformation to use the Land Registers and Cadastre system.
18	Screenshot of the Register of Persons Deprived of Parental Care Rights being connected to the Government Service Bus (GSB)	Screenshot demonstrating that the Register of Persons Deprived of Parental Care Rights is connected to the Government Service Bus (GSB).
19	Technical documentation concerning the Register of Persons Deprived of Parental Care Rights and the Government Service Bus (GSB)	Technical documentation explaining how the Register of Persons Deprived of Parental Care Rights is displayed on the GSB and how other bodies can connect via the web service.
20	Handover report concerning Activity 14	Copy of the certificate of completion of the activity. The activity is related to: Register of Persons Deprived of Parental Care Rights.

21	Handover report Activity 12	Copy of the certificate of completion of the activity. The activity is related to: Creating a service for sending final decisions to the application for anonymization and publication.
22	Handover report Activity 13	Copy of the certificate of completion of the activity. The activity is related to: Preparation of statistical forms for electronic download by the Central Bureau of Statistics.
23	Handover report Activity 7	Copy of the certificate of completion of the activity. The activity is related to: Adaptation of the document storage system and migration of documents to the Shared Services Centre.
24	Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

New features shall be implemented with [the objective] 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.

The investment included adding new functionalities to the court case management system (hereinafter referred to as: eSpis), as detailed below, which improved the digitisation of the justice system.

Full electronic delivery of court documents to e-Citizens with user mailbox is enabled through upgrades to the e-Communication system, in particular by Activity 2 which completed the technical reengineering, functional upgrades, redesign of the e-Communications interface, creation of a web service for receiving documents from the e-Communications system for large users, and creation of a web service for retrieving case data and submitting submissions for large users of the e-Communications system (Evidence No. 6, Activity 2, Evidence No. 5 and Evidence No. 1). Electronic communication with the courts has been integrated with the e-Citizens system (the central government portal for the provision of e-services to citizens), and adjustments were made to e-Communication for the e-Citizens system as provided by Evidence No. 2 and Evidence No. 6, Activity 2 that enable full electronic delivery of documents to e-citizens with user mailboxes. The digitisation of the justice system has been improved as the new feature delivers information to the user's e-Citizens mailbox about documents sent by the courts by physical mail and provides information about the possibility of joining e-Communication and receiving future documents electronically via that channel (Evidence No. 4, Evidence No. 6, Page 42, Evidence No. 3).

Furthermore, the Commission services conducted an on-the-spot check on 9 July 2025 to verify the satisfactory fulfilment of the requirements. The Commission verified that full electronic delivery of documents to e-citizens with user mailbox is operational, including information on electronic delivery in case of transmission of documents by physical delivery. Croatia demonstrated how users (citizens, businesses, attorneys, etc.) can receive documents from courts via the e-Communication system (integrated with and accessible on e-Citizens platform) for which users need to declare they confirm the receipt as a prerequisite to download the documents. It was demonstrated that a parallel message is sent to the user's e-Citizens mailbox about the sent documentation as well (and

to a private email if the user chooses so). The Croatian authorities explained that users can also receive documents on behalf of other persons or entities. Next, the authorities also demonstrated how an information notification about a delivery by physical mail is sent to the user's e-Citizens mailbox, along with an invitation to join e-Communication to receive such documents fully electronically in the future. On this basis, the Commission services confirmed that the presented functionalities matched the evidence submitted by Croatia for demonstrating that the specific requirements, as set out in the Council Implementing Decision, are satisfactorily fulfilled. This on-the-spot check was completed successfully, confirming that milestone requirements are satisfactorily fulfilled.

- Improved user experience by implementing action plan containing recommendations on technical aspects and IT management (administrative and business process recommendations and technical recommendations).

Recommendations that improve user experience on technical aspects and IT management, meaning administrative and business process recommendations from the Action plan containing recommendations for further upgrade and improvement of the e-Communication application (Evidence No. 7), were addressed. The e-Communication application was developed (Evidence No. 6, pages 7-8, points 1, 2 and 3), incorporating technical, administrative and IT-business-related recommendations from the action plan. Evidence No. 8 provides an explanation and underlying evidence for each recommendation, detailing how the adopted recommendations were implemented in the system as provided by evidence. The recommendations improving system usability and user experience were achieved, for example: simplifying user access, making the interface more intuitive, enabling electronic signing within the system (Evidence No. 6, pages 8-9, points 1-3 and 8), improving navigation and labelling (Evidence No. 6, page 9, point 11), using clearer language (Evidence No. 6, page 10, point 19), adding calendar selectors to date fields (Evidence No. 6, page 10, point 15), verifying email addresses for notifications (Evidence No. 6, page 10, point 12), adding a search function (Evidence No. 6, page 10, point 13), adapting the application for use on smartphones (Evidence No. 6, page 10, point 16), establishing helpdesk support (Evidence No. 11), developing guidelines for judges with best practices in case management related to e-Communication (Evidence No. 9), and adjusting visual effects and contrast settings (Evidence No. 6, page 10, point 18).

Furthermore, the Commission services conducted an on-the-spot check on 9 July 2025 to verify the satisfactory fulfilment of the requirements. During the check, Croatia was requested to show the IT solutions and improved technical and IT management functionalities adopted based on the action plan containing recommendations in order to improve user experience. The Commission verified that the user experience has been improved by observing the implemented relevant recommendations from the action plan regarding technical aspects and IT management, and that the functionalities are operational. On this basis, the Commission services confirmed that the presented functionalities matched the evidence submitted by Croatia for demonstrating that the specific requirements, as set out in the Council Implementing Decision, are satisfactorily fulfilled. This on-the-spot check was completed successfully, confirming that milestone requirements are satisfactorily fulfilled.

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

The achieved objective of the investment is to further upgrade the Court Case Management System (eSpis), particularly to move eSpis towards a centralised hardware and software solution that is the integration into the Shared Services Centre (State Cloud). The new integrated architecture of the eSpis in the Shared Services Centre allowed for improvements (as explained below) that reduce system bottlenecks, increase stability and enable interoperability with other systems. Without the eSpis' integrated architecture within the State Cloud, those functionalities would not have been

possible to implement or improve. The eSpis system has been adapted and integrated into the architecture of the Shared Services Centre (State Cloud, hereinafter referred to as: "SSC"), which is a government cloud IT infrastructure. Through Activity 1, the architecture of the eSpis system software platform for operation in the SSC was created (Evidence No. 14, Evidence No. 6). The Low-Level Design technical document (Evidence No. 13), which describes in detail the "Infrastructure as a Service" (IaaS) project hosted on the SSC platform, thoroughly defined the target architecture of the system that has been adopted and which reduces system bottlenecks, increases stability and enables interoperability with other systems. The existing eSpis system with its supporting parts and applications was moved from the location of the Ministry of Justice, Public Administration and Digital Transformation (hereinafter referred to as: "MoJPADT") to the SSC (State Cloud) within the framework of this investment (Evidence No. 6, pages 17-28, paragraphs 2.5, 2.6, 2.7 and 2.8, pages 33-34 paragraph 2.11).

Reducing system bottlenecks and increasing stability was achieved through Activity 4, aimed at preventing application unavailability in cases where external systems or services used by eSpis are not accessible (Evidence No. 6, pages 15-17, Evidence No. 15). Before this upgrade, if one external system became unavailable, the entire eSpis system could be blocked due to continuous attempts to check the availability of the malfunctioning system, which caused system overload. Activity 4 implemented a technical solution that ensures that business processes in eSpis with the new integrated architecture in the SSC, which cannot be completed due to the unavailability of external systems (meaning external systems from which eSpis extracts data), are automatically interrupted, with an appropriate notification displayed to the user. At the same time, eSpis components are no longer overloaded by waiting for external resources to become available. During the period of unavailability of these services or systems, the eSpis system does not even try to initiate transactions towards them but periodically checks whether they have become available. Only after their availability is determined, the system allows the establishment of transactions (Evidence No. 6, pages 15-17, Evidence No. 15).

The migration of the eSpis system into the SSC has also reduced system bottlenecks and enhanced stability. As can be seen in the SSC Platform document (Evidence No. 16), the SSC has two server locations and provides a disaster recovery (DR) functionality, which means that if one of the locations becomes partially or completely unavailable, the corresponding hosted service (eSpis or one of its components migrated to the SSC) will automatically be started at the other location. The prior MoJPADT location did not have this disaster recovery functionality. Official SSC documentation states that the SSC environment can achieve an availability of 99.982% (Evidence No. 16). This upgrade thus contributes to the stability and removal of bottlenecks, as it achieves a significant increase in the availability of the eSpis infrastructure and minimizes any potential problems with the server infrastructure. By migrating the eSpis system to SSC (Evidence No. 23), greater availability and stability in the operation of the system has been achieved.

One of the most important new functionalities that ensures stability in the SSC environment is the availability of multiple application servers, and by dividing the work performed by the application servers, better performance of this aspect of the system has been achieved in terms of stability (Evidence No. 6, page 8, point 4). In line with this, the application servers of eSpis and e-Communication have been separated. Until now, e-Communication would stop working when there was a problem with the eSpis application server. Since these servers are now separated, e-Communication remains available even if the eSpis application server is not working. Also, with the integration of the eSpis into SSC, a container orchestration platform has been successfully established as a key component of the system's software architecture (Evidence No. 6, page 33 and page 8, point 4). This solution plays a critical role in ensuring the overall performance, availability, and reliability of the system, thus reducing bottlenecks and increasing stability.

An important activity completed within this investment contributing to stability and reducing bottlenecks was Activity 7: Adaptation of the document storage system and migration of documents

to the SSC (Evidence No. 6, pages 21- 22, paragraph 2.7, Evidence No. 23). In this context, the eSpis system, after being integrated into the SSC architecture, was adjusted to remove the dependency on the Oracle Document Management System for document storage, which had been used up until this investment. Instead, document storage was transitioned to the SSC object store, replacing the previous method of permanent storage in the transactional database. Databases are now optimised for work with structured data. Performances and stability were further improved by the optimisation and reduction of documents and database size within the S3, which is a massively scalable storage service. After the migration of the transaction database to SSC, better work speeds were achieved compared to the previous eSpis in MoJPADT. A comparison showed that the average daily duration of the execution of all service methods has been reduced from 508 billion milliseconds (hereinafter referred to as: "ms") to 351 billion ms, 30% faster than the old one, as per Evidence No. 6, page 26. Furthermore, the total execution duration of the 10 most frequently called methods, which make up 35% of all service calls, was reduced by 70%, from 178 million ms to 56 million ms. The execution time of the 20 most common methods, accounting for 50% of all service calls, was reduced by 86%, from 241 million ms to 86 million ms (Evidence No. 6, pages 22-28).

The integration into the SSC also enabled improved interoperability with other systems. On the eSpis side, a new service was created for sending and exchanging data and documents with the ANON system, which allows for anonymizing and publishing all final court decisions and monitoring (synchronizing) any updates to individual decisions, as provided by Evidence No. 21 and Evidence No. 6, pages 34-35, Paragraph 2.12. Regarding interoperability with the Croatian Central Bureau of Statistics, the number of forms that can be downloaded via the web service has been increased, as provided by Evidence No. 22 and Evidence No. 6, pages 35- 36, Paragraph 2.13. Additionally, a new Register of Persons Deprived of the Right to Parental Care has been implemented. The register is displayed on the Government Service Bus, and other bodies that have the legal basis for accessing it can connect via the web service and obtain the necessary data directly (Evidence No. 20, Evidence No. 6, pages 36-39, Paragraph 2.14, Evidence No. 18, Evidence No. 19). Furthermore, interoperability has been established with the ZIS system (Common Information System of Land Registers and Cadastre), through a connection via the Government Service Bus (Evidence No. 17 and Evidence No. 15), primarily by allowing the connection to cadastral and land register data for use in adjudication.

Furthermore, the Commission services conducted an on-the-spot check on 9 July 2025 to verify the satisfactory fulfilment of the requirements. The Commission verified that the new integrated architecture in the Shared Services Centre enables interoperability of eSpis with other systems. In particular, the Commission checked the interoperability and new functionalities related to the anonymisation of court decisions system, forms for the Croatian Central Bureau of Statistics, Register of Persons Deprived of the Right to Parental Care and the Common Information System of Land Registers and Cadastre system (ZIS). On this basis, the Commission services confirmed that the presented functionalities matched the evidence submitted by Croatia for demonstrating that the specific requirements, as set out in the Council Implementing Decision, are satisfactorily fulfilled. This on-the-spot check was completed successfully, confirming that milestone requirements are satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 226 All new first and second instance court decisions ending proceedings are anonymised and published on the portal.

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

Quantitative Indicator: A system for the public publication and search of court decisions is operational.

Time: Q4 2024

1. Context:

The objective 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.

Milestone #226 requires the publication of all new first and second instance judgments on the Internet with elaborate search options and automated anonymisation methods that respect personal data protection rules.

Milestone #226 is the only target of this investment, related to set up a system to publish all new court decisions. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Public portal of anonymized court decisions	Link: https://odluke.sudovi.hr
2	Certificate of completion from the contractor	Certificate of completion of the ANON system (IT system for publication and search of anonymised court decisions)
3	Act on Amendments to the Act on Courts, Official Gazette, No. 36/2024, entered into force on 1 January 2025, in accordance with Article 30	Available on the link: https://narodne-novine.nn.hr/clanci/sluzbeni/2024_03_36_568.html,
4	Ordinance on the methods of anonymization, publication, and search of anonymized court	Available on the link: https://narodne-novine.nn.hr/clanci/sluzbeni/2024_11_134_2203.html

	decisions, Official Gazette, No. 134/24, entered into force on 1 January 2025, in accordance with Article 12	
5	Public procurement Contract for development of IT system for publication and search of anonymised court decisions (ANON)	The contract lists the activities to be completed
6	Annex to Contract – Project description	The Annex details the specificities of the activities to be completed by the contract
7	Package of documentation concerning Project Activity 1. IT system design and development	Includes: a) Handover record, and b) Technical document
8	Package of documentation concerning Project Activity 2. Implementation of the IT system to the Shared Service Center (CDU) infrastructure	Includes: a) Handover record, and b) List of licensed software required to run the ANON system (IT system for publication and search of court decisions).
9	Package of documentation concerning Project Activity 3. Testing of the IT system	Includes: a) Handover record and b) Test report and test acceptance
10	Package of documentation concerning Project Activity 4. Establishment of the IT system for production work	Includes: a) Handover record, and b) ANON system (IT system for publication and search of court decisions) backup plan
11	Package of documentation concerning Project Activity 5. Training materials and execution of trainings	Includes: a) Handover record, and b) Report on the conducted training for the use of the ANON system (IT system for publication and search of court decisions)
12	Package of documentation concerning Project Activity 6. Implementation of the IT system rollout to production work	Includes: a) Handover record, b) The source code of the ANON system (IT system for publication and search of court decisions), c) System maintenance and support strategy, d) Technical documentation of the ANON system, e) User Manual for the ANON system – all roles, and f) User Manual for the ANON system in the roles of anonymizer, indexer, anonymization editor and court

		administrator.
13	Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

The new functionalities include publication of all first and second instance judgments on the Internet

The Council Implementing Decision states that the new functionalities include publication of all first and second instance judgments on the Internet. The Council Implementing Decision also states in the Name of the milestone that it refers to all new first and second instance court decisions ending proceedings are anonymised and published on the portal. Also, the Croatian National Recovery and Resilience Plan states that anonymisation and publication only relates to new decisions once the IT system is operational, not older ones, with retroactive publication only stated as an optional possibility. The interpretation that all new decisions at first and second instance ending court proceedings should be anonymised, not all existing decisions, is in line with the contextual interpretation as this was the intention of the Croatian National Recovery and Resilience Plan, as anonymisation of all decisions encompassing the period from the independence of Croatia until now was not the goal, nor would it be possible during the implementation of the Recovery and Resilience Facility. Furthermore, Croatian authorities have gone beyond the goal, as on 13 November 2025 the IT system already encompasses a total of 756 991 decisions, including many before the IT system was operational. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The new system for publishing all new first and second instance court decisions which end the proceedings, as specified in the name of the milestone, is operational and publicly available with automatic pre-anonymisation by the software, on a single publicly accessible portal with elaborate search options, respecting the rules on the protection of personal data (Evidence No. 2, No. 5, No. 6, No. 12).

[...] with elaborate search options and automated anonymisation methods that respect personal data protection rules.

All new first and second instance court decisions ending proceedings of all courts are anonymised and published on a publicly accessible portal IT system for publication and search of anonymised court decisions (hereinafter referred to as: “ANON”) (Evidence No. 1). The website of the online platform ANON (Evidence No. 1) was accessed and checked by Commission services on 13 November 2025, confirming it encompasses 756 991 anonymized decisions.

The portal for the public disclosure of court decisions enables elaborate advanced search features and filtering options. The portal enables elaborate search options based on various criteria,

including by: type of court, business number, date of decision, date of validity, ECLI number, Eurovoc, law nomenclature, legal index, type of decision, type of proceeding, type of register, field of law, statistical group, validity (Evidence No. 1, Evidence No. 12).

All new first and second instance court decisions ending proceedings are automatically anonymised by the system. The handover records and technical documentation on the completed works on the ANON IT system confirm that the ANON IT system allows for elaborate search options and an automated anonymisation method that respects personal data rules (Evidence No. 7, No. 8, No. 9, No. 10, No. 12). Article 1 of the Act on Amendments to the Act on Courts (Evidence No. 3, hereinafter referred to as: "Amendments to the Courts Act") and the Ordinance on the methods of anonymisation, publication, and search of anonymised court decisions (Evidence No. 4) provide the legal basis for the anonymisation and publication of court decisions ending proceedings. According to the Ordinance on the methods of anonymisation, publication, and search of anonymised court decisions (Evidence No. 4, hereinafter referred to as: "Ordinance"), first instance decisions are anonymised, indexed by the system, and automatically published on the portal. Anonymisation and indexing of decisions of higher courts and the Supreme Court of the Republic of Croatia is also automatically performed by the system and additionally processed by persons authorised to work in the ANON system. The Ordinance and the Amendments to the Courts Act stipulate that the anonymisation is done with respect to personal data protection rules (Evidence No. 4 and No. 3). In particular, articles 3 and 4 of the Ordinance determine which personal data is anonymised and methods of anonymisation of data in court decisions.

Furthermore, the Commission services conducted an on-the-spot check on 24 April 2025 to verify the satisfactory fulfilment of the requirements. The Commission verified that the system for the publication and search of court decisions is operational with elaborate search options, and that the automated anonymisation methods that respect personal data protection rules are operational. Concretely, the publication of an unprocessed decision REV-1113/2022-2 to the public portal was verified, which demonstrated how the ANON system automatically detects and anonymises personal data with respect to personal data protection rules. Also, elaborate search options were checked and confirmed. This on-the-spot check was completed successfully, confirming that all milestone requirements are satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 238 Reducing the average length of court cases for corruption and organised crime offences

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

Quantitative Indicator: Number

Baseline: 999

Target: 799

Time: Q4 2024

1. Context:

The objective of the reform is to improve coordination and cooperation of the authorities involved in the implementation of national anti-corruption policy documents through the use of information technology, and also to enhance the effectiveness of the overall anti-corruption policy framework.

Target 238 requires the reduction by 200 days of the average length of court cases for corruption and organised crime offences.

Target 238 is the seventh target of the reform. It will be followed by milestone 237 (Setting up an information system to monitor the implementation of national anti-corruption measures) which is related to the efficiency of the public administration involved in the implementation of national anti-corruption policy. The reform has a final expected date for implementation in June 2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	E-spis Report - Official extract from Business Intelligence Reporting Tool Q1 2024	A copy of the official data report on the disposition time for corruption and organised crime offences for the mentioned period from the Ministry of Justice, Public Administration and Digital Transformation, generated through the reporting system
2	E-spis Report - Official extract from Business Intelligence Reporting Tool 2024	A copy of the official data report on the disposition time for corruption and organised crime offences for the mentioned period from the Ministry of Justice, Public Administration and Digital Transformation, generated through the reporting system
3	E-spis Report - Official extract from Business Intelligence Reporting Tool Q1 2021	A copy of the official data report on the disposition time for corruption and organised crime offences for the mentioned period from the Ministry of Justice, Public Administration and Digital Transformation, generated through the reporting system

4	E-spis Report - Official extract from Business Intelligence Reporting Tool 2021	A copy of the official data report on the disposition time for corruption and organised crime offences for the mentioned period from the Ministry of Justice, Public Administration and Digital Transformation, generated through the reporting system
5	Statistical overview of the work of courts for 2021	Link to official statistical report made by Ministry of Justice, Public Administration and Digital Transformation for 2021 https://mpudt.gov.hr/statisticki-pregled-o-radu-sudova/26209
6	Report of the President of the Supreme Court of the Republic of Croatia on the state of the judiciary for 2021	Link to the Report of the President of the Supreme Court of Croatia on the state of the judiciary for 2021 https://www.vsrh.hr/izvjesca-o-stanju-sudbene-vlasti.aspx
7	Four Action plans for County Courts for 2021	Four Action plans for 2021 on improving the efficiency of County Courts in Zagreb, Split, Rijeka and Osijek
8	Four Reports on the achievement of the goals of improving the efficiency of County Courts	Four Reports on the achievement of the goals of improving the efficiency of the County Courts in Zagreb, Split, Rijeka and Osijek in Q4 2024
9	Official Report by the Ministry of Justice, Public Administration and Digital Transformation on the use of e-Communication in all types of courts	
10	Reports on the number of judges handling corruption and organised crime cases in 2021 and 2024	
11	Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

Reduction by 200 days of the average length of court cases for corruption and organised crime offences compared to 1Q/2021 (999 days).

The data presented covers the periods from the first quarter and whole of 2021 (Evidence No. 3 and 4, when the baseline was set) and the first quarter of 2024 and whole 2024 (Evidence No 1. and 2).

The disposition time, which is the indicator outlining the number of days required to close a pending case, at the end of 2024 was 535 days, meaning it was reduced by 455 days when compared to the

first quarter of 2021 (baseline). The disposition time was recorded using the EU Justice Scoreboard methodology for the calculation and reporting of the data on the average length of court cases (Table 1). Also, when comparing the first quarter of 2021 and first quarter of 2024, the reduction of disposition time by 314 days was achieved.

Table 1. Disposition Time for cases handled by specialised departments on corruption and organized crime

Criminal offences of corruption and organised crime	Courts dealing with corruption and organised crime cases	**Calculated Disposition Time (baseline)**	**Calculated Disposition Time**		
		Q1 2021	**2021**	**Q1 2024**	**2024**
	County Court Osijek	345	674	880	310
	County Court Rijeka	1440	730	637	379
	County Court Split	1553	2774	2123	1378
	County Court Zagreb	1093	1330	396	464
NATIONAL AVERAGE (TOTAL)		**990 (Evidence No. 3)**	**1283 (Evidence No. 4)**	**676 (Evidence No. 1)**	**535 (Evidence No. 2)**

The data from Table 1, supported by the abovementioned evidence, demonstrates that the target requirement was overachieved.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 240 Establishment of an information system for the management of the ethical infrastructure of civil servants

Related Measure: C2.6 R1-I2 Digitalisation of the Ethics System of Civil Servants

Qualitative Indicator: The information system has been fully developed and put into operation

Time: Q4 2024

1. Context:

The objective of the investment is 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.

Milestone #240 requires the development and implementation of an electronic ethics infrastructure management system to modernise and support the work of ethics bodies by processing complaints related to misconduct, conflicts of interest, and the treatment of citizens and civil servants.

Milestone #240 is the only target of this investment, related to put into operation an electronic ethics infrastructure management system. The investment has a final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Certificate of completion - Final Report	Copy of the certificate of completion, including the report on completion and conducted activities
2	Package of documentation concerning Activity 1: Environmental analysis	Includes Handover record and Report on eEtika environmental analysis
3	Package of documentation concerning Activity 2: Development of functional and non-functional specifications for the IT system of management of ethical infrastructure eEtika	Includes Handover record and Functional and Non-functional Technical Specifications of eEtika IT system
4	Package of documentation concerning Activity 3: Design and development of the eEtika system and	Includes Handover record on the design and development of the eEtika system and its implementation on the test and production environment in Shared Services Centre

	implementation on the test and production environment in the Shared Service Centre (SSC/CDU)	
5	Package of documentation concerning Activity 4: Testing the eEtika system, data migration and putting the system into operation	Includes Handover record and a document on test scenarios and strategy
6	Package of documentation concerning Activity 5: Trainings for eEtika system users	Includes Handover record, manuals, video instructions for using eEtika for three different categories of users (Ethics Commissioners, Ethics Commission and Service for Ethics and Integrity) and lists of attendances of the provided trainings
7	Package of documentation concerning Activity 6: Delivery of documentation, original program code and final handover of the eEtika system	Includes Handover record, complete technical documentation and the System Maintenance and Support Strategy
8	Code of Ethics for Civil Servants and Employees, Official Gazette No. 8/2025, entered into force 25 January 2025, in accordance with Article 49	Available on the link: https://narodne-novine.nn.hr/clanci/sluzbeni/2025_01_8_63.html
9	Public procurement contract No. 194/23, with annexes	The concluded contract lists the activities to be completed. The Annex to the contract details the specificities of the activities to be completed by the contract. The package also includes Addendum I. to the Public procurement contract 194/23D1 and, Addendum II. to the Public procurement contract 194/23D2
10	Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

An Electronic Ethical Infrastructure Management System shall be developed 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 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.

The new Code of Ethics for Civil Servants and Employees (Evidence No. 8, hereinafter referred to as: "Code of Ethics") sets out the rules of conduct and ethical principles based on which the civil servants act when performing their official duties and establishes an institutional framework that allows cases of unethical conduct to be reported. Also, the Code of Ethics sets the legal basis by stipulating that the use of the eEtika (eEthics) system, which is the Electronic Ethical Infrastructure Management System, is obligatory for the Ethics Commissioners, the Ethics Commission and the Service for Ethics and Integrity. The aforementioned is regulated in articles 1, 12-21 regulating the rules of conduct and 22-41 of the Code of Ethics laying down rules on the eEthics IT system (Evidence No. 8).

The eEtika (eEthics) IT system has been completed and put into operation, as evidenced by the Final Report (Evidence No. 1) and last handover record for Activity 6 (Evidence No. 7). Technical specifications of the eEtika system are described in detail in the evidence provided, in particular in the Functional and Non-functional Technical Specifications of eEtika IT system (Evidence No. 3) and the complete technical documentation of eEtika IT system (Evidence No. 7). As part of Activity 6, complete technical documentation was delivered, which includes a description of the system architecture, technology, database, modules, integration with other systems (Evidence No. 7).

The newly developed IT system eEtika has digitised the process of processing complaints for breaches of the Code of Ethics in such a way that the Ethics Commissioners and the Ethics Commission enter data on each received and/or resolved complaint into the system, which can be categorised in the five required types of complaints (Evidence No. 1 and No. 7). The five categories, also featured as one of the data points of the IT system eEtika, are:

i) complaints on behaviour of public officials towards citizens,
ii) complaints about behaviour in public appearances,
iii) complaints about acquisition of benefits,
iv) complaints about conflicts of interest,
v) complaints dealing with interrelations between civil servants - complaints lodged by civil servants against other civil servants, including also about the behaviour of superiors.

Evidence to the abovementioned is as follows. The following data can be entered into the IT system eEtika and used for processing each single complaint regardless of its category (Evidence No. 6, User Manual for Ethics Commissioners, p. 11: Figure 9 – "View of filters and buttons for creating cases categories of complaints, and corresponding video instructions material"): date of receipt of the complaint, manner of receipt of the complaint, name and surname of the person who filed the complaint or if anonymous, name and surname of the civil servant to whom the complaint relates, category of complaint to be processed (the abovementioned five categories can be chosen), date of resolution of the complaint, date of preparation of the response to the complaint, information on whether the complaint is well-founded and information on the measures taken (Evidence No. 6, User Manual for Ethics Commissioners, p. 15-17, Figures 15,16,17). Also, video instructions for Ethics Commissioners prove the functionalities as they demonstrate how public officials process the cases, showing that the system and its functionalities are operational (Evidence No. 6). In addition, the annex to the concluded public procurement contract stipulates that the five categories and functions for processing complaints must be delivered (Evidence No. 9), while the Functional and Non-

functional Technical Specifications of eEtika IT system also demonstrate that the five categories of complaints and functions for processing complaints have been introduced into the eEthics system (Evidence No. 3, Chapter 5.1 Functional requirements, p. 25, 29).

The Service for Ethics and Integrity now has the possibility to produce the statistical data on the resolution of complaints of the Ethics Commissioners and the Ethics Commission, which includes an overview of the resolution by type of complaint (Evidence No. 6 User Manual for the Service for Ethics and Integrity, Chapter 8). Furthermore, the Functional and Non-functional Technical Specifications of eEtika IT system also demonstrate that production of statistical data has been introduced into the eEthics system (Evidence No. 3, Chapter 7.5 Table, graphical and textual reports). This advanced database on ethical procedures enables a swift production of a high-quality analysis which further modernises and improves the work of the relevant bodies and services.

Furthermore, the Commission services conducted an on-the-spot check on 28 April 2025 to verify the satisfactory fulfilment of the requirements. The Commission verified that the eEtika (eEthics) Infrastructure Management System is operational, improves the work of relevant bodies and officials and includes functionalities to process five relevant categories, that are: i) Complaints about the way citizens are treated by officials, ii) Complaints about behaviour in public appearances, iii) Complaints about obtaining material or other benefits, iv) Complaints about conflicts of interest and v) Complaints from civil servants concerning other civil servants, including about the behaviour of superiors. The Croatian authorities demonstrated that the newly developed IT system eEtika (eEthics) has digitized the process of resolving complaints for breaches of the Code of Ethics in such a way that the Ethics Commissioners, the Ethics Commission and the officials working in the Ethics and Integrity Service can enter data on each received or resolved complaints in the system, making the workflow and process easy to see and navigate. Furthermore, the authorities demonstrated that the IT system is also an advanced database encompassing all procedures of breaches of ethical rules, that it enables a high-quality analysis, data extraction and visualisation. The eEtika (eEthics) system provides elaborate filtering and export options of the complaints for analytical and statistical purposes in a user-friendly manner. On this basis, the Commission services confirmed that the presented functionalities matched the evidence submitted by Croatia for demonstrating that the specific requirements as set out in the Council Implementing Decision are satisfactorily fulfilled. This on-the-spot check was completed successfully, confirming that all milestone requirements are satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 252 Strengthen supervision through regular meetings of Interinstitutional Working Group on Supervision

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

Quantitative Indicator: Number

Baseline: 0

Target: 12

Time: Q4 2024

1. Context:

The aim of this reform is to strengthen supervision of the anti-money laundering and countering of financing of terrorism measures (AML/CFT) by enhancing cooperation between the Anti-Money Laundering Office and the supervisory authorities. This is achieved by improving the exchange of information and best practices in the fight against money laundering and terrorist financing, based on a revised memorandum of understanding between the financial supervisory authorities and the Anti-Money Laundering Office.

The target requires holding a series of at least 12 regular meetings under the Interinstitutional Working Group on AML/CFT Supervision (MIRS) between end 2020 and end 2024, reinforcing the cooperation between all supervisory authorities responsible for overseeing the implementation of the Anti-Money Laundering and Terrorist Financing Act measures and actions.

Target 252 is the second and last target of the reform, and it follows the completion of milestone 251, related to the signature of an updated cooperation agreement between the Anti-Money Laundering Office and the supervisory authorities on exchange of information and cooperation.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled
2	Meeting invitations and minutes, including attendees: i) Meeting record No. 1 – 9 September 2021 ii) Meeting record No.	For each meeting, in separate documents: i) invitation to the meeting and ii) meeting minutes, including the list of attendees, together making one meeting record specific to that meeting

	2 -8 February 2022 iii) Meeting record No. 3 – 10 February 2022 iv) Meeting record No. 4 – 22 March 2022 v) Meeting record No. 5 – 31 March 2022 vi) Meeting record No. 6 – 7 April 2022 vii) Meeting record No. 7 – 2 May 2022 viii) Meeting record No. 8 – 14 April 2022 ix) Meeting record No. 9 – 26 April 2022 x) Meeting record No. 10 – 1 June 2022 xi) Meeting record No. 11 – 6 June 2022 xii) Meeting record No. 12 – 14 July 2022 xiii) Meeting record No. 13 – 3 October 2022 xiv) Meeting record No. 14 – 4 October 2022 xv) Meeting record No. 15 – 17 February 2023 xvi) Meeting record No. 16 – 5 April 2023 xvii) Meeting record No. 17 – 10 July 2023 xviii) Meeting record No. 18 – 24 July 2023 xix) Meeting record No. 19 – 25 September 2023 xx) Meeting record No. 20 – 27 January 2023 xxi) Meeting record No. 21 – December 2023	
3	A copy of the Anti-Money Laundering and Terrorist Financing Act and its publication in the Official Gazette (No.	A copy of the Act on Anti-Money Laundering and Terrorist Financing whose most recent amendment was published on 22 December 2022 and entered into force on 1 January 2023.

	108/17, 39/19, 151/22) on 22 December 2022.	https://narodne-novine.nn.hr/clanci/sluzbeni/2017_11_108_2488.html https://narodne-novine.nn.hr/clanci/sluzbeni/2019_04_39_800.html https://narodne-novine.nn.hr/clanci/sluzbeni/2022_12_151_2335.html

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

(…) the Interinstitutional Working Group on Supervision (MIRS) shall have at least 12 meetings between end 2020 and end 2024.

The authorities provided copies of the invitations to each of the meetings of the Interinstitutional Working Group on Supervision (*Međuresorna radna skupina*, hereinafter referred to as: "MIRS"), which includes the date of the meeting and the subject of the discussion (agenda). The authorities also provided meeting minutes for each of the meetings, including the list of attendees (Evidence no. 2).

A total of 21 meetings took place during the period specified in the Council Implementing Decision (Evidence no. 2, meeting records No. 1 - 21), and in particular:

- in 2021, one meeting was held on 10 September 2021,
- in 2022, 13 meetings were held between 8 February and 4 October and
- in 2023, seven meetings were held between 17 February and 19 December.

In order to harmonise supervisory practices, improve the exchange of experience and knowledge between supervisory authorities and exchange information (…)

The subject of the meetings included harmonisation of supervisory practices by aligning supervisors' understanding and approaches to identification of anti-money laundering and countering of financing of terrorism (hereinafter referred to as "AML/CFT") risks (Evidence No. 2, meeting record No. 1). The authorities exchanged on their experience and knowledge gained in supervision, by discussing the impact of their supervisory actions on compliance of obliged entities (Evidence No. 2, meeting record No. 1). Furthermore, exchanging of information relevant to the performance of AML/CFT supervision took place, such as statistical data relevant to AML/CFT (Evidence No. 2, meeting records No. 1, 2 and 3) and information on individual cases subject to ongoing investigations (Evidence No. 2, meeting records No. 13 and 21).

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.

The meetings between supervisory authorities allow regular direct interaction between supervisory authorities tasked with monitoring compliance in the AML/CFT area, providing for a mechanism of more effective cooperation between these institutions, in line with the updated cooperation agreement signed between the Anti-Money Laundering Office and the supervisory authorities on exchange of information and cooperation as part of this reform.

The representatives of the Anti-Money Laundering Office (Financial Intelligence Unit, hereinafter referred to as the "FIU") and relevant AML/CFT supervisory authorities regularly participated in the

meetings of the MIRS (evidence No. 2, meeting records, including meeting minutes with the list of attendees). These authorities include: the Croatian National Bank, the Croatian Financial Services Supervisory Agency, the Tax Administration and the Financial Inspectorate, as specified in Article 81 of the Act (Evidence No. 3). Other relevant authorities participated in the meetings as needed, such as the Ministry of the Interior and the State Attorney's Office.

The meetings facilitated enhanced cooperation between the Anti-Money Laundering Office and the supervisory authorities on drafting of the amendments to the AML/CFT Act in several areas, in line with the relevant recommendations and the results of mutual evaluations (Evidence No. 2, meeting record No. 8). This includes expanding the registration regime for virtual asset service providers (hereinafter referred to as: "VASPs") and introducing a new registration regime for trust and company service providers and traders of precious metals and precious stones (Evidence No. 2, meeting record no. 9). MIRS also focused on provisions to strengthen international cooperation of supervisory authorities with their counterparts from the EU and third countries (Evidence No. 2, meeting record no. 9).

In particular, the Interinstitutional Working Group on Supervision shall monitor:
i) effective exchange of statistical data on carried surveillance

In the area of AML/CFT surveillance activities, the MIRS held exchanges among supervisors on the number of entities subject to supervision per the categories of obliged entities and the scope and type of inspections carried out (on-site, off-site or targeted) during surveillance. Furthermore, data on the type of AML/CFT breaches identified and corresponding sanctions and other measures applied by supervisors in performance of surveillance activities for the purpose of addressing the irregularities was exchanged (Evidence No. 2, meeting records No. 1 and 2). The collection and analysis of intelligence supporting investigations of money laundering, associated predicate offenses and terrorist financing was also discussed (Evidence no. 3, meeting record No. 3).

ii) the exchange of surveillance experiences ('best practices')

Several meetings of the MIRS focused on the exchange of surveillance experiences ('best practices'). The MIRS facilitated exchanges on current topics to be addressed by supervision in the AML/CFT area, such as remote identification when establishing business relationships. This included exchanges on surveillance experiences of different Member States on the application of solutions for remote customer on-boarding, as well as exchanges on practices currently used by credit and financial institutions, in view of drafting of the amendments to the rulebook governing electronic identification by video (Evidence No. 2, meeting records No. 5-7, meeting records No. 15 - 19). In addition, the supervisors discussed best practices in supervision of financial institutions and designated non-financial businesses and professions; risk assessment, internal control and group policies; data protection and record-retention; reporting of suspicious transactions; customer due diligence requirements, and transparency of beneficial ownership information (Evidence No. 2, meeting record No. 2).

(iii) the exchange of information on irregularities detected in the application of the Act

In addition to data on irregularities identified and sanctions applied, as mentioned above under point i), the MIRS also exchanged information on the implementation of the UN targeted financial sanctions in connection with the financing of terrorism and proliferation (Evidence No. 2, meeting records No. 3 and 4), which constitute a requirement under the AML/CFT framework for the obliged entities (Article 14 and Article 56, Evidence No. 3).

(iv) the strengthening and coordination of surveillance activities

The work of the MIRS contributed to the strengthening and coordination of surveillance activities. This includes improving engagement of supervisory authorities with the FIU and other competent authorities on AML/CFT matters. International cooperation between FIUs and supervisors was also addressed (Evidence No. 2, meeting record No. 2). Exchange of information between the FIU, police, and supervisory authorities related to AML/CFT requirements has been facilitated. A communication mechanism between law enforcement agencies and authorities responsible for the supervision, licencing and/or registration of obliged entities under the AML/CFT framework was developed (Evidence No. 2, meeting records No. 13 and 20). Specific casework benefitted from the newly established communication mechanism (Evidence No. 2, meeting record No. 21).

(v) the exchange of information on surveillance plans.

The meetings of the MIRS concerning the Action Plan for Strengthening the Effectiveness of the Croatian AML/CFT System (Evidence No. 2, meeting records No. 3 and 4), subsequently adopted in May 2022, relate to the exchange of information on surveillance plans. The Action Plan is a comprehensive document steering the surveillance plans of individual authorities, as it includes a list of measures to be implemented by the AML/CFT supervisory authorities in their planned areas of supervision, training and prevention, with view to addressing recommendations from the mutual evaluation of the AML/CFT system.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 261 Reducing the average time for dealing with appeals and decisions

Related Measure: C2.9 R2 Strengthening the review system in public procurement

Quantitative Indicator: Number

Baseline: 35.2

Target: 29.2

Time: Q4 2024

1. Context:

The reform aims to contribute to the reduction of the administrative burden related to the public procurement review system by making e-appeals mandatory and shortening the average time for appeals.

Target 261 concerns the reduction of the average number of days for deciding on appeal cases from the date of receipt of the appeal by at least 6 days.

Target 261 is the last target of the reform, and it follows the completion of milestone 260 which introduced legislative changes to make the e-appeal tool mandatory and further improve its functioning.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	DKOM annual activity report for 2015	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2015, approved by the Croatian Parliament. Data on appeal duration available on page 15.
3	DKOM annual activity report for 2016	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2016, approved by the Croatian Parliament. Data on appeal duration available on page 14.
4	DKOM annual activity	Annual report on the work of the State

	report for 2017	Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2017, approved by the Croatian Parliament. Data on appeal duration available on page 21.
5	DKOM annual activity report for 2018	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2018, approved by the Croatian Parliament. Data on appeal duration available on page 23.
6	DKOM annual activity report for 2019	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2019, approved by the Croatian Parliament. Data on appeal duration available on page 29.
7	DKOM annual activity report for 2020	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2020, approved by the Croatian Parliament. Data on appeal duration available on page 34.
8	DKOM annual activity report for 2021	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2021, approved by the Croatian Parliament. Data on appeal duration available on page 32.
9	DKOM annual activity report for 2022	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2022, approved by the Croatian Parliament. Data on appeal duration available on page 45.
10	DKOM annual activity report for 2023	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2023, approved by the Croatian Parliament. Data on appeal duration available on page 29.
11	DKOM annual activity report for 2024	Annual report on the work of the State Commission for the Supervision of Public Procurement Procedures (DKOM) for the year 2024, approved by the Croatian Parliament. Data on appeal duration available on page 31.
12	Law on the State Commission for the Supervision of Public Procurement Procedures, Official Gazette No. 18/13 (subsequently amended by 127/13, 74/14, 98/19, 41/21). Entry into force on 23 February 2013 in accordance with Article 23.	Law regulating the jurisdiction of the State Commission for the Supervision of Public Procurement Procedures and other issues related to the work of the State Commission.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

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.

The Law on the State Commission for the Supervision of Public Procurement Procedures (hereinafter referred to as: DKOM) requires DKOM to submit an annual activity report to the Croatian Parliament, including data on the average time for deciding on appeal cases from the date of receipt of an appeal (Evidence No. 12, Article 18), which is subsequently approved by Parliament. This official data included in the annual activity reports forms the basis for the assessment of satisfactory fulfilment the target. The below table shows the average time for deciding on appeal cases from the date of receipt of the appeal for the years 2015-2024 based on the respective annual reports as indicated in Evidence No. 2-11. Since the baseline is calculated as a 5-year average over 2015-2019, the target achievement is assessed based on the average for the years 2020-2024.

Table: Annual average time for deciding on appeal cases from the date of receipt of the appeal based on DKOM annual reports (Evidence No. 2-11)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Average number of days for dealing with appeal cases	38	34	36	34	34	30	27	27	26	35
5-year average	35.2					29				

The table shows that the average time for deciding on appeal cases from the date of receipt of the appeal was reduced by 6.2 days from an average of 35.2 days for the years 2015-2019 to an average of 29 days for the years 2020-2024.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 277 Share of universities or research institutes that have signed programme agreements

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

Quantitative Indicator: % (Percentage)

Baseline: 0

Target: 65

Time: Q3 2024

1. Context:

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 for the development of the economy and society.

Target 277 relates to the signing of new programme agreements in accordance with the provisions of the new Act on Scientific Activity and Higher Education by at least 65% of public universities and scientific institutes. Target 277 is the second target of the investment, and it follows the completion of target 276. It will be followed by target 278, target 279, and target 280, related to completed research projects in the green field, funding allocation to research projects and reorganisations of higher education institutions and scientific institutes, respectively.

The investment has a final expected date for implementation in Q1/2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Annexes 1 – copies of calls for programme contracts from the Ministry of Sciences and Education to universities, sent in October 2023.	Group of documents showing copies of calls for programme contracts from the Ministry of Science, Education and Youth to 27 public scientific organisations. These documents are signed by the Ministry of Science.
3	Annex 2 – Summary of	This document shows an excel sheet summarising the

	the main objectives of each agreement	main strategic and specific objectives of each agreement for 27 public scientific organisations.
4	Annexes 3 – Scientist advancement Plans	Group of documents showing, for each public scientific organisation, the signed programme contracts between the Ministry of Science, Education and Youth, and the respective organisation, an overview of strategic objectives and indicators, development and performance-based budget proposals, a scientist advancement plan, an employment plan, and a list of outcome indicators.
5	Annex 4 – List of all public scientific organisations	This document shows a list of public scientific organisations from the Ministry of Science and Education derived from the official records of the Register of Scientific Organisations.
6	Act on Higher Education and Scientific Activity (NN 119/2022) published on 7 October 2022 and coming into force on 22 October 2022	https://narodne-novine.nn.hr/clanci/sluzbeni/2022_10_119_1834.html
7	Regulation on Programme Funding of Public Higher Education Institutions and Public Research Institutes in the Republic of Croatia (NN 78/2023), published on 14 July 2023 and coming into force on 21 July 2023	https://narodne-novine.nn.hr/clanci/sluzbeni/2023_07_78_1245.html

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

At least 65% of public universities and scientific institutes shall have signed new programme agreements (…)

The list of eligible public universities and scientific institutes is derived from the Information System of Science of the Republic of Croatia (hereinafter referred to as: “CroRIS”), which includes data from the now-abolished Register of Scientific Institutions as of 31 December 2021. Based on this data and applying the relevant filters—ownership type: public, and institution type: public scientific institute, university, and university of applied sciences—39 institutions are initially identified in CroRIS. However, one institution, the Police Academy "The First Croatian Police Officer", though listed, is not eligible for programme agreements as it operates as a unit of the Ministry of the Interior and therefore was excluded from the final count, in line with the principles and definitions set out in the Higher Education and Scientific Activity Act (Hereinafter referred to as: “the Act”, Evidence No. 6).

This adjustment yields a total of 38 eligible public scientific institutions (Evidence No. 5) and provides a baseline for calculating the share of public research entities who signed the programme agreements.

Out of these 38 institutions, 27 have signed new programme agreements (Evidence No. 4), either on 8 or 28 December 2023, with the Ministry of Science, Education and Youth (hereinafter referred to as: "Ministry of Science"). This represents a coverage of 71% thereby exceeding the target threshold of 65%.

(…) in accordance with the provisions of the new Act on Scientific Activity and Higher Education that shall introduce a performance-based system of funding targets for public scientific organisations.

The introduction of performance-based financing for public scientific organisations is satisfactorily fulfilled through the Act (Evidence No. 6, *Zakon o visokom obrazovanju i znanstvenoj djelatnosti*, Official Gazette of the Republic of Croatia, No. 119/22, 22 October 2022), which establishes a funding system that combines a guaranteed basic budget with additional resources allocated according to institutional achievements. In particular, the Act provides that the basic budgetary component, further detailed in Article 5 of the Regulation on the financing of scientific activity and higher education (Hereinafter referred to as: “the Regulation”) (Evidence No. 7, *Pravilnik o financiranju znanstvene djelatnosti i visokog obrazovanja*, Official Gazette, No. 78/2023, 21 July 2023), secures the essential operational and developmental needs of institutions, while a complementary performance-based component links funding to measurable results in teaching, scientific output, innovation, and professional activity.

The programme agreements signed with 25 public research institutes and two entities of applied sciences (Evidence No. 4) include five annexes: an overview of strategic objectives and indicators, development and performance-based budget proposals, a scientist advancement plan, an employment plan, and a list of outcome indicators. These documents outline specific institutional objectives for the contractual period (2024–2027), measurable performance indicators with baseline, mid-point and final target values, and the structure of funding, which is allocated across basic, development, and performance-based components, thus introducing a performance-based system of funding. The agreements (Evidence No. 4) were finalised following a review and negotiation process led by the Ministry of Science and serve as binding contracts regulating the allocation of public funds based on performance and strategic alignment with national priorities in accordance with the Act (Evidence No.6)

Furthermore, in line with the measure description **a support scheme shall be launched to deliver institutional funding for universities and research institutes that have signed the programme agreements (…)**

In accordance with the provisions of the aforementioned legislation, the Ministry of Science initiated the process of contracting programme agreements in October 2023 by inviting public research institutes and universities of applied sciences to submit proposals, following the templates and guidelines issued as part of the call (Evidence No. 2).

(…) allowing for a more efficient use of resources and an increased research performance.

The Act and the Regulation establish a legally binding and financially enforceable support scheme that links institutional funding to programme agreements and conditions access to additional funding on demonstrable efficiency gains and measurable improvements in research performance.

Concretely, as a condition for signing programme agreements and therefore accessing the funding from the support scheme, universities and public research institutes have to dedicate to specific strategic objectives enshrined in the programme agreements. Firstly, the Act on Higher Education and Scientific Activity (Evidence No. 6) sets out the provisions for allocating the developmental component of the budget, financed through the new support scheme, to streamline study programmes, merge professional services, and reduce administrative costs in Articles 6(10)-(11) thus improving efficiency. Secondly, the Act in Article 102(1)(3) defines the conditions for allocating the performance part of the budget, also through the new support scheme, towards improving research excellence via including strategic objectives on competitive projects, international cooperation and overall scientific excellence. Furthermore, the Regulation (Evidence No.7) in Article 3 requires programme agreements to contain measurable objectives, indicators, and conditions for accessing the performance budget; Article 4 sets strategic goals such as raising scientific excellence and strengthening cooperation with the economy; Article 6(10–11) allows developmental funding to support institutional consolidation and the streamlining of study programmes and administrative services, thereby reducing fragmentation and ensuring resource efficiency; and Article 7 ties performance funding to activities such as participation in competitive projects, internationalisation of research, and modernisation of processes, thus directly incentivising improved research results. Furthermore, Article 12 of the Regulation entrusts the Ministry with evaluating the feasibility, relevance, and ambition of institutional objectives during negotiations, thereby ensuring that resources are directed towards measures that demonstrably enhance efficiency and research performance.

Finally, **the programme agreements shall continue to be financed from the national budget after 2026, as the new financial model shall allow major savings in the long term.**

Each concluded programme agreement (Evidence No. 4) includes an Article 4 provision detailing the annual distribution of the contracted financial envelope, extending beyond 2026 and covering allocations up to 2027, thereby ensuring a transparent delineation of funds on a year-by-year basis. This ensures that the programme agreements shall be financed after 2026. Furthermore, by incentivising the organisational integration of higher education institutions and the restructuring of research institutes (Article 101 of the Act; Article 6(10–11) of the Regulation), the model reduces fragmentation, eliminates duplication, and streamlines administrative structures. At the same time, the performance component (Article 102 of the Act; Article 7 of the Regulation) encourages institutions to diversify funding through competitive research projects, thereby decreasing dependence on the state budget. Together, these measures gradually shift resources away from redundant costs and towards outputs of higher scientific and educational value, ensuring systemic fiscal efficiency over time.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 288 Entry into force of the amendments to the Labour Market Act

Related Measure: 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

Qualitative Indicator: Entry into force of the act amending the Labour Market Act

Time: Q3 2024

1. Context:

The objective of this measure is to strengthen support to unemployed people and vulnerable groups.

Milestone 288 relates to increasing the amount and the duration of the unemployment benefit in line with the outcomes of an analysis.

Milestone 288 is the first step of the reform and will be followed by milestone 289 related to improving quality of support for vulnerable groups and target 290 related to improved quality of support for at least 5 000 people from vulnerable groups. The reform has a final expected date for implementation in Q2/2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the milestone were satisfactorily fulfilled, with the references to the relevant provisions indicating the entry into force and to the provisions which fulfil the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex.
2	Analysis of the adequacy of the unemployment benefit during unemployment period and recommendations for legislative changes	Final report on the Analysis of the adequacy of the unemployment benefit during unemployment period and recommendations for legislative changes, prepared on 22 September 2022 by the Zagreb Economics Institute as an analytical paper for the preparation of the amendments to the Labour Market Law. Croatia also provided an annex providing the summary of recommendations and stating which of them were implemented in the reform.
3	Law on Amendments to the Labour Market Law	Copy of the Law on Amendments to the Labour Market Law adopted by the Croatian Parliament on 13 December 2024, published in the Official Gazette on 24 December 2024 (Official Gazette,

		No 152/24), and entered into force on 1 January 2025 according to the article 46.
4	A decision on the service "Online submission of a request for unemployment benefits" (PVN online)	Document with a short description of the digitalised application service and the decision-making procedure for the requests submitted through new PVN (*Prijava, Vođenje, Napredovanje – Registration, Management, Advancement*)- online service. The PVN is the internal digital dossier system for case and request management.
5	Handover record of web application system for online interaction and document review related to business process of rights during unemployment	A signed document on the (acceptance of the) delivery of the of web application system for online interaction and document review related to business process of rights during unemployment, with a description of the elements of the delivery and key functionalities of the system.
6	A document "PVN online-ekrani"	This document contains a series of screenshots demonstrating the functioning of the new PVN online service.
7	On-the-spot check	An on-the-spot check was carried out on 25June 2025 with the Ministry of Labour, and Pension system, Family, and Social policy.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

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.

The Law on Amendments to the Labour Market Law (hereinafter referred to as the 'law on amendments') was adopted by the Croatian Parliament on 13 December 2024, published in the Official Gazette on 24 December 2024 (Official Gazette, No 152/24), and entered into force on 1 January 2025 (according to the article 46), covering the aspects of the amount, duration and requirements of the unemployment benefit (Evidence No. 3).

The Analysis of the adequacy of the unemployment benefit during unemployment period and recommendations for legislative changes was prepared by the Zagreb Economics Institute on 22 September 2022 (Evidence No. 2) and constitutes an analytical basis for the preparation of the amendments to the Labour Market Law. The analysis resulted in seven recommendations, five of which were implemented through legislative changes. Only a subset of the recommendations and legislative changes introduced are relevant for the milestone assessment, as those were explicitly mentioned in the Council Implementing Decision. The six recommendations that are relevant for this milestone assessment, are further explained below. The recommendations can be grouped into two categories: (i) increasing the generosity of the benefit (Recommendations 1 and 5), and (ii) easing the conditions for exercising the right to unemployment benefit (Recommendations 2, 3, 4 and 6).

Recommendation 7 refers to better regulating the right to benefit for members of ship crews in international navigation.

Entry into force of an amended or new Labour Market Act which increases the amount and prolongs the duration of unemployment benefits (…) in line with the analysis carried out.

Recommendation 1 proposes an increase in the amount of unemployment benefit for the period from 91 to 270 days of unemployment, from 30% of the base to 45%, while Recommendation 5 proposes to enable a more favourable determination of the basis for acquiring benefits in case of unemployment after a short-term employment relationship (Evidence No. 2). Article 22 of the law on amendments (Evidence No. 3) increases the amount of benefit for the period from 91 to 180 days of unemployment—from 30% of the base to 35%— in line with the analysis of unemployment benefit adequacy, which indicates that there is scope to increase the level of cash benefits (Evidence No. 2)

The magnitude of the legislated increase was decided with a view to reduce the fiscal impact of the reform and secure fiscal sustainability, while preserving the aim and effect of the reform to strengthen support to the unemployed (Evidence No. 1). Article 21 of the law on amendments enables a more favourable determination of the base for acquiring benefits by, among other things, including compensation of salary or other financial support under a special regulation in the three-month period before the termination of employment in the case if this is more favourable for an unemployed person, which is in line with Recommendation 5, explained above.

In addition, Article 22 of the law on amendments eliminates the provision that granted unemployed individuals—who receive a disability pension due to professional incapacity or compensation under special regulations such as an inclusive supplement—the right to receive the difference up to the established amount of unemployment benefits (Evidence No. 3). As a consequence of the reform, unemployed persons receiving a disability pension due to professional incapacity for work, or compensation under a special regulation, such as an inclusive supplement, will be able to receive an increased amount—the full amount—of unemployment benefit.

Prolongation of duration of unemployment benefits is not recommended by the analysis as such (Evidence No. 2). Recommendation 4 proposes to allow individuals to continue receiving cash benefits after a short-term employment relationship that ends by mutual agreement. In addressing Recommendation 4 (Evidence No. 2), Articles 20 and 29 of the law on amendments (Evidence No. 3) effectively prolong the duration of unemployment benefits. Such prolongation concerns the unemployed persons whose right to unemployment benefit ended due to new employment, and who became unemployed again due to the termination of employment relationship. Following the reform, these persons are entitled to continue receiving the unemployment benefit for the remaining period in the established amount, when the employment relationship is terminated by agreement between the employee and the employer.

Entry into force of an amended or new Labour Market Act (…) relaxes requirements for vulnerable workers (…) in line with the analysis carried out.

Article 18 of the law on amendments relaxes the condition of previous working experience in order to have the right to receive unemployment benefit for persons under 30 years of age. For this group, the condition of time spent at work is reduced from nine months to six months over the last 24 months. This is in line with Recommendation 2 which suggests lowering the required previous work duration to qualify for a financial allowance for young people up to 30 years old, from 9 to 6 months within the last 24 months.

As mentioned above, Article 22 of the law on amendments abolishes the provision stipulating that an unemployed person exercising the right to a disability pension due to professional incapacity for work, or compensation under a special regulation such as inclusive supplement, has the right to unemployment benefits in the amount equal to the difference to the established amount of unemployment benefit (Evidence No. 3). As a consequence of the reform, exercising the right to a disability pension due to professional incapacity for work, or compensation under a special regulation such as an inclusive supplement, is no longer an obstacle for an unemployed person to receive the full amount of unemployment benefit.

Entry into force of an amended or new Labour Market Act which (…) digitalises the application process for unemployment benefits in line with the analysis carried out.

Digitalisation of the application process for unemployment benefits is not recommended by the analysis. The digitalisation of the procedure for exercising the right to unemployment benefits was carried out independently of the analysis. The electronic registration/submission of claims for unemployment benefits has been implemented through the IT system for online submission of the request for unemployment benefit (Evidence No. 4-6).

The Commission services conducted an on-the-spot check (Evidence No. 7) on 25 June 2025 to verify the digitalisation of the application process for unemployment benefits in Croatia. This included checking the functionalities related to electronic registration, online application for financial compensation, attachment of supporting evidence, the option to sign applications electronically, the processing of claims via the PVN Online system (internal digital dossier system for case and request management), and the ability to upload signed acts within the same platform. This check was completed successfully, confirming that the requirement related to the operational digital application process for unemployment benefits has been satisfactorily fulfilled, as set out in the Council Implementing Decision.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 289 Improved quality of support for vulnerable groups

Related Measure: 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

Qualitative Indicator: 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

Time: Q4 2024

1. Context:

The objective of this measure is to strengthen support to unemployed people and vulnerable groups.

Target 289 relates to the new Croatian Public Employment Service processes being operational for profiling, segmentation, integration and activation of vulnerable groups, development of tools for matching unemployed with job vacancies, and the operationalisation of the ALMPs monitoring and evaluation system.

Target 289 is the second milestone of the reform, and it follows the completion of milestone 288 on the entry into force of the act amending the Labour Market Act. Target 289 will a be followed by target 290, related to improved quality of support for at least 5 000 people from vulnerable groups.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Internal rulebook on the improvement of the work processes of the CES for profiling, segmentation, integration and activation of vulnerable groups	This document shows the internal Instruction No. 04/24 on enhancing processes for the work of CES for profiling, segmentation, integration and activation of vulnerable groups. It has been signed by the CES Director General on 30 December 2024, with instant entry into force.
3	Analysis of the Need for Education of Counsellors Working with Vulnerable Groups of Unemployed	This document shows the results of the Survey on the Training Needs of Counsellors for Working with Vulnerable Group.

	Persons	
4	Manual for the Education of Counsellors Working with Vulnerable Groups	This document shows the manual for the education of counsellors on 'Strengthening human and IT capacity and improving skills to work with vulnerable people' and focuses on counselling techniques and strategies for supporting specific vulnerable groups in entering the labour market.
5	Handover Report - Result 1 - Upgraded IT Platform to Support Educational Activities	This document provides details on a project to upgrade an existing IT platform, specifically a Moodle e-learning system, to support educational activities.
6 - 7	Workshops attendance sheets	These documents show signature sheets for various modules of the training program on 'Strengthening human and IT capacity and improving skills to work with vulnerable groups' listing the names and signatures of participants, as well as the dates and locations of the training sessions.
8-10	Sustainability certificates	This document shows signature lists and attendance records for various training sessions and modules related to the 'Strengthening human and IT capacity and improving skills to work with vulnerable groups' project.
11	VERN (training provider) certificate	This document shows the three phrases of the project 'Strengthening human and IT capacity and improving skills for working with vulnerable people groups' and provides a list of all trainees who have been awarded certificates of successful completion education.
12	VERN Final Report	This document shows the project ('Strengthening human and IT capacity and improving skills for working with vulnerable people groups')'s objectives, activities, and outcomes, including the development of training materials, the delivery of training sessions for advisors, and the evaluation of the project's success.
13	Analysis of the profiling system and definition of a profiling improvement strategy	This document shows the analysis of the profiling system and the definition of a profiling improvement strategy. It discusses the current implementation of the Statistically Assisted Profiling (StAP) model, its limitations, and the need for improvement to better support job seekers and employers.
14	Design of an improved profiling and segmentation model	This document shows the design of an improved profiling and segmentation model. It presents a description and documentation of the model prototype, which aims to identify individuals who are likely to remain unemployed for more than 12 months or less than 3 months and

		provide them with adequate support and services.
15	Matching Model	This Excel sheet shows the systematic framework for evaluating and scoring the compatibility between employer requirements and employee qualifications across various criteria. It uses weighted scores and predefined rules to assess how well an employee matches a job posting based on factors such as occupation, certificates, type of employment, working hours, salary expectations, location, accommodation, skills (ESCO), foreign language proficiency, driving licenses, education level, and professional experience.
16	Mapping ESCO occupation to the new NKZ10 (National Qualification of Occupation)	This Excel Sheet shows detailed mapping of occupations between the ESCO framework (European Skills, Competences, Qualifications, and Occupations) and the Croatian NKZ10 classification system. It includes multiple sheets summarising the mapping process, methodology, and results.
17	Structuring matching model	This document shows the appendix on 'Structuring the mediation model'. It presents a description and documentation of the structure of an intermediation model, which is designed to match employees with job advertisements in the Unemployment Register. The model is based on a set of characteristics, including occupation, education, language skills, and work experience, among others.
18	Strategy of necessary changes of CES in providing services and processes (physical and digital) in the field of working with "vulnerable groups", phase 3 'Defining change strategies towards users, in particular by vulnerable groups'	This document shows the strategy for improving the Croatian Employment Service's (CES) business processes and services for the activation and integration of vulnerable groups into the labour market.
19	Description report of changes in CES processes and services (physical and digital) and necessary internal changes for users of the CES, especially members of 'vulnerable groups', phase 4 'Defining the required changes in processes CES'	This document shows the proposed changes to include strengthening the multidisciplinary modus operandi of advisors with vulnerable groups, adapting programmes to trigger social and labour activation, and providing support for vulnerable groups in the job search process.
20	Elaboration of educational	This document on 'Defining change strategies

	activation programs, phase 5 ‘Definition and elaboration of educational and activation programmes for vulnerable groups’	towards users, in particular by ‘vulnerable groups’ shows the phase of the project aimed at improving the business processes and services of the Croatian Employment Service (CES) for the activation and integration of vulnerable groups into the labour market.
21	Protocols for the implementation of future processes and services for 7 vulnerable groups, phase 6 ‘Defining the detailed design of future processes and services’	This document shows designing processes and services for vulnerable groups of unemployed persons, including protocols, forms, and systems to support their employment and integration.
22	Protocol for activation of vulnerable groups	This document shows a protocol for the activation of vulnerable groups, specifically unemployed persons and inactive individuals.
23	Dynamic table with monitoring outcomes	This Excel Table summarises the outcomes related to individual and motivational counselling activities for various individuals.
24	Outcomes of active employment policies	This document outlines the outcome monitoring system, which aims to assess the effectiveness of these measures, ensure transparency, and provide insight into the long-term impacts on individuals and the wider community.
25	Analysis of the Work of Lifelong Career Guidance Centers (CISOK)	This document shows a report on the implementation of the first phase of a project analysing the work of Career Information and Advice Centres (CISOK) in Croatia. The report provides an overview of the current state of the CISOK centres, including their operations, staff, services, and challenges, and identifies strengths and weaknesses, such as the need for updated strategic documents, clear job descriptions, and improved marketing and communication strategies.
26	Operations manual for service standard, methodology, monitoring, evaluation and quality assessment of CISOK centres’ services	This document shows the operations manual for CISOK, and contains various forms, questionnaires, and guidelines for the centre's operations, including satisfaction surveys for beneficiaries and partners. It also outlines the centre's infrastructure, services, and staff requirements.
27 - 31	Screenshots of a newly developed internal CISOK application	These documents show screenshots of the newly developed internal CISOK application for business processes.
32 - 37	Screenshot of an external CISOK application (Moj CISOK) for providing online services to users	These documents show a screenshot of an external CISOK application (Moj CISOK) for providing online services to users.

38-39	User manual for the Customer Management System (CISOK) and User manual for IT application MojCISOK	These documents show user manuals or instructions for using the system CISOK. They provide guidance on how to create and manage workshops, appointments, and activities, as well as how to use various features such as file uploading, notification sending, and test creation.
40 - 41	CISOK Leaflets and Posters	These documents show CISOK leaflets and posters.
42 - 64	CISOK openings in Rijeka, Virovitica and Krapina	These documents show pictures of the CISOK centres in Rijeka, Virovitica and Krapina along with invitation letters to the opening of the centres, and lease contracts.
64	On-the-spot check	The Commission services carried out an on-the-spot check with the Ministry of Labour, and Pension system, Family, and Social policy.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

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.

In order to operationalise the entry into force of new business processes related to profiling, segmentation, integration and activation of vulnerable groups, the Croatian authorities adopted the internal rulebook on the improvement of the work processes of the Croatian Employment Service (hereinafter referred to as 'CES') for profiling, segmentation, integration, and activation of vulnerable groups (Evidence No. 2). This internal rulebook, signed by the CES Director General on 30 December 2024, with instant entry into force, defines the actions of the Croatian Employment Service related to strengthening the system of inclusion and monitoring of vulnerable groups in the labour market. It applies to all organisational levels of the CES and describes changes in the business processes aimed at improving work with vulnerable groups. The establishment of this system is carried out through individualised support for unemployed persons based on their profiles, including an assessment of the need for targeted support, which will enable increased employability through educational activities and ultimately integration into the labour market through employment.

The training of CES counsellors under the project *"Strengthening human and IT capacity and improving skills for working with vulnerable groups"*, implemented by the University of VERN with partners Core Integra d.o.o. and the Association of Croatian Veterans, was delivered in three phases that directly ensured the operationalisation of the new CES processes. In Phase 1, the duties and competencies of counsellors were analysed and a framework of key skills and a work activity roadmap were developed, establishing the professional standards now applied in practice. In Phase 2, 100 CES counsellors completed a certified 36-hour training across three modules on individual counselling, profiling and assessment of work potential, and preparation of individual integration plans, supported by a 140-page handbook; these trained staff now use these techniques daily in working with vulnerable jobseekers. In Phase 3, ten of the trained counsellors received additional

“train-the-trainer” instruction and conducted pilot workshops under professional supervision, creating an internal coaching structure that sustains and expands the new approach. Together, these phases embedded the new methodologies, tools, and competencies into CES’s regular operations, ensuring that the profiling, segmentation, and activation processes are not only established but actively used across the employment service (Evidence No. 3-12).

The Commission services carried out an on-the-spot check on 25 June 2025 (Evidence No. 64) to verify that the new processes of the CES are operational in practice for the purposes of milestone 289. During this check, the Croatian authorities demonstrated the upgraded CES e-learning portal, built on the Moodle platform, including the newly integrated functionalities (such as the e-college with dedicated e-courses and learning activities, and the system administration interface), as well as training modules specifically designed for counsellors working with vulnerable groups, including persons with disabilities. In addition, the authorities presented the CISOK system for career guidance centres, showing the internal modules used by counsellors and administrators (users module, services module, reporting module, and registries of users and partners with the ability to plan, record, and track individual and group activities, including their status) and the external-facing modules (access via NIAS authentication, the ability for users to browse and register for workshops, consult service descriptions and schedules, and obtain certificates). The CISOK system was also shown to generate monitoring reports automatically in Excel format and to record participation histories. The on-the-spot check confirmed that these systems are active, populated with operational data on training delivery, profiling, counselling, activation, service provision and monitoring. On this basis, the Commission services confirmed that the information observed is consistent with the screenshots, manuals and handover reports submitted by the Croatian authorities and that the requirement concerning the operationalisation of enhanced public employment service processes and the supporting IT systems under milestone 289 has been satisfactorily fulfilled in line with the Council Implementing Decision.

The new Croatian Public Employment Service processes are operational for profiling, segmentation (…).

An analysis of the profiling system and definition of a profiling improvement strategy (Evidence No. 13) has been conducted, identifying limitations of the existing Statistically Assisted Profiling (StAP) model and informing the development of a new strategy. A new profiling and segmentation model (Evidence No. 14) has been designed to identify individuals at risk of long-term unemployment and provide targeted support. This model is complemented by a Matching Model (Evidence No. 15), which systematically evaluates the compatibility between employer requirements and employee qualifications, and a detailed mapping of European Skills, Competences, Qualifications and Occupations (hereinafter referred to as ‘ESCO’) to the new national qualification model (Nacionalna Klasifikacija Zanimanja, hereinafter referred to as ‘NKZ10’, Evidence No. 16 -17), which classifies skills and qualifications. The enhanced profiling model represents data visible to every user of the platform as well as recommendations related to the person's profile. People who do not have digital skills will undergo the profiling process with the support of a counsellor.

The new Croatian Public Employment Service processes are operational for (…) integration and activation of vulnerable groups (…).

The strategy of necessary changes of CES in providing services and processes (Evidence No. 18) outlines the approach for improving the CES’ business processes and services for the activation and integration of vulnerable groups. This strategy is supported by a description report of changes in CES processes and services (Evidence No. 19) which describes changes such as strengthening the

multidisciplinary modus operandi of advisors and adapting programmes to trigger social and labour activation. Furthermore, the elaboration of educational activation programs (Evidence No. 20) and the protocols for the implementation of future processes and services for 7 vulnerable groups (Evidence No. 21) demonstrate the development of tailored programmes and protocols to support the employment and integration of vulnerable groups. Additionally, a protocol for activation of vulnerable groups (Evidence No. 22), has been established to specifically address the needs of unemployed persons and inactive individuals, thereby enhancing the overall support system for vulnerable groups.

In addition, to reach inactive groups—particularly young people not in employment, education, or training (NEETs)—CES reorganised and expanded the network of CISOK career guidance centres (Evidence No. 25–42). New CISOK centres in Rijeka, Virovitica, and Krapina (Evidence No. 42–64) are now open and fully operational, supported by the MojCISOK online platform (Evidence No. 38–39), which enables staff to register users, schedule workshops, and record activities.

The new Croatian Public Employment Service processes are operational (…) development of tools for matching unemployed with job vacancies (…).

Statistically assisted profiling (Evidence No.13), has been expanded to include a new set of attributes (44 in total), enabling better profiling of the unemployed and informing the design of an improved profiling and segmentation model (Evidence No. 14). The mediation model, or matching model algorithm (Evidence No. 15), matches employees with vacancies based on their characteristics and those specified in the vacancy, facilitating targeted interventions and measures for clients. To support this, Evidence No. 16 demonstrates the mapping of ESCO occupations to the new NKZ10, adjustment of ESCO qualifications, and structuring of the ESCO classification for integration into the profiling system described above.

The new Croatian Public Employment Service processes are operational for (…) operationalisation of ALMPs monitoring and evaluation system.

The monitoring and evaluation system for active labour market policies (ALMPs) has been operationalised and is used by CES counsellors, analysts, and management to track individual and aggregate outcomes of employment measures. The “Dynamic table with monitoring outcomes” (Evidence No. 23) and “Outcomes of active employment policies” (Evidence No. 24) are functioning databases that collect data on participants in activation and counselling measures which are updated on a weekly basis, enabling CES to monitor the results of individual interventions and the effectiveness of specific active employment policies. The data is then used by counsellors to follow beneficiaries’ progress and by CES headquarters to inform policy adjustments. The system is complemented by the CISOK “Operations manual” (Evidence No. 26), which defines the methodology, monitoring framework, and evaluation procedures for career guidance services. CISOK staff record workshop participation, satisfaction surveys, and employment outcomes in the MojCISOK application (Evidence Nos. 32–38), providing consistent and traceable monitoring data. The operations manual for CISOK (Evidence No.26) also contributes to the operationalisation of the monitoring and evaluation system, as it outlines the methodology, monitoring, and evaluation procedures for the CISOK centres. Overall, the evidence suggests that a functional monitoring and evaluation system for ALMPs is in place, enabling the tracking of progress, identification of areas for improvement, and data-driven decision-making.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 295 Increasing the ratio of the minimum wage to the average gross wage in 2024 to 50%

Related Measure: C4.1 R4 Improvements to the labour legislation

Quantitative Indicator: % (Percentage)

Baseline: 46.29

Target: 50

Time: Q4 2024

1. Context:

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.

Target 295 relates to increasing the ratio of the minimum wage to the average gross wage in 2024 to 50% after consultation with social partners and in cooperation with the expert panel.
Target 295 is the third target of the reform, and it follows the completion of milestone 293 and milestone 294. It will be followed by target 296, related to the reduction of the share of temporary contracts to 17%.

The reform has a final expected date for implementation in Q4 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Meeting's notes concerning the consultation on the level of the minimum wage for 2024 held on 25 September 2023	This document shows the notes of a meeting concerning the consultation on the level of the minimum wage for 2024. The meeting took place on 25 September 2023. The notes were signed by the Ministry of Labour, Pension system, family and social policies.
3	Meeting's notes concerning the	This document shows the notes of a meeting concerning the consultation on the level of the

	consultation on the level of the minimum wage for 2025 held on 7 October 2024	minimum wage for 2024. The meeting took place on 7 October 2024. The notes were signed by the Ministry of Labour, Pension system, family and social policies.
4	Copy of the proposal for the Minimum Wage Regulation with explanatory notes on 25 October 2023	This document shows a copy of a proposal for the regulation on the level of the minimum wage for the year 2024. Presented by the Ministry of Labour, Pension System, Family and Social Policy on 25 October 2023.
5	Copy of the proposal for the Minimum Wage Regulation with explanatory notes on 24 October 2024	This document shows a copy of a proposal for the regulation on the level of the minimum wage for the year 2025. Presented by the Ministry of Labour, Pension System, Family and Social Policy on 24 October 2024.
6	Official statistics on the average gross wage in 2023 for the first seven months	This document shows the official statistics on the average gross wage in 2023 for the first seven months. It comes from the Croatian Bureau of Statistics from 20 September 2023.
7	Official statistics on the average gross wage in 2024 for the first seven months	This document shows the official statistics on the average gross wage in 2024 for the first seven months. It comes from the Croatian Bureau of Statistics from 19 September 2024.
8	Copy of the decision amending the decision on setting up an expert panel to monitor and analyse minimum wage developments, adopted and entered into force on 2 December 2021, and published in the Official Gazette on 10 December 2021 (136/2021)	This document shows a copy of the decision to amend the decision on setting up an expert panel to monitor and analyse minimum wage developments, published in the Official Gazette on 10 December 2021 (136/2021). It entered into force on the date of its adoption.
9	Copy of the recommendation of the Committee for Monitoring and Analysis of Minimum Wage Trends for 2024.	This document shows a copy of the recommendation of the Committee for Monitoring and Analysis of Minimum Wage Trends for 2024. It was signed by the Chair of the Commission on 20 September 2023.
10	Copy of the recommendation of the Committee for Monitoring and Analysis of Minimum Wage Trends for 2025.	This document shows a copy of the recommendation of the Committee for Monitoring and Analysis of Minimum Wage Trends for 2025. It was signed by the Chair of the Commission on 30 September 2024.
11	Copy of the regulation on the level of the minimum wage for the year 2024, adopted on 25 October 2023, published in the Official Gazette (125/2023) on 1 January 2024 and entering into	This document shows a copy of the regulation on the level of the minimum wage for the year 2024, published in the Official Gazette (125/2023) on 1 January 2024. It entered into force on the same day.

	force on the same day.	
12	Copy of the regulation on the level of the minimum wage for the year 2025, adopted on 24 October 2024, published in the Official Gazette (124/2024) on 1 January 2025 and entering into force on the same day.	This document shows a copy of the regulation on the level of the minimum wage for the year 2025, published in the Official Gazette (124/2024) on 1 January 2025. It entered into force on the same day.
13	Official statistics on the average gross wage in 2020	This document (excel file) shows the official statistics on the average gross wage in 2020. It comes from the Croatian Bureau of Statistics, published as *Statistics in line* on 21 October 2025.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

In consultation with the social partners and in cooperation with the Expert Panel on Monitoring and Analysis of Minimum Wage Developments (…)

Two consultations with the social partners were held regarding the minimum wage. The first consultation, concerning the 2024 minimum wage (Evidence No. 2) took place on 25 September 2023. It involved the representatives from the Ministry of Labour, Pension System, Family and Social Policy, from the Federation of Autonomous Trade Unions of Croatia, the Independent Croatian Trade Unions, the Association of Croatian Trade Unions, and from the Croatian Employers' Association. The second consultation (Evidence No. 3), focused on the 2025 minimum wage, was held on 7 October 2024. It included the representatives from the same Ministry and from the same trade unions and employer association.

The Ministry of Labour, Pension System, Family and Social Policy amended the 2019 decision establishing the Expert Committee for Monitoring and Analysis of the Minimum Wage Developments (hereinafter referred to as "the Committee"). The amended decision (Evidence No. 8) was adopted on 2 December 2021, published in the Official Gazette on 10 December 2021 (136/2021) and entered into force on the day of its adoption. Its amendments clarified the Committee's role as an advisory body to the Minister, responsible for monitoring wage trends, assessing the socio-economic impact of minimum wage changes, and providing expert recommendations. Accordingly, two recommendations were produced by the Committee.

The first recommendation proposed to set the gross minimum wage for 2024 at an amount which falls within the proposed range of EUR 756.00 (lowest reasoned proposal) up to EUR 889.02 (highest reasoned proposal) (Evidence No. 9). The final gross minimum wage for 2024 was set at EUR 840 (Evidence No. 11), within the range proposed by the Committee. The second recommendation proposed to set the gross minimum wage for 2025 at an amount within the proposed range of EUR 890.00 (lowest reasoned proposal) and EUR 1,093.65 (the highest reasoned proposal) (Evidence No. 10). The final gross minimum wage for 2025 was set at EUR 970 (Evidence No. 12), within the range proposed by the Committee.

Therefore, both the social partners and the Committee were effectively involved in the process and the final gross minimum wage set for 2024 and for 2025 were within the brackets proposed by the Committee.

(…) the minimum wage shall be increased to 50 % of the average wage from the previous year.

Both in 2023 and 2024, the Government decided on the gross minimum wage for the next year in October of the current year (Evidence No. 11 and 12). At that point in time, the data on the average gross wage for the whole current year is not known and the Government takes into consideration the average gross wage from January to July (Evidence No. 4 and 5). The analysis below shows that the gross minimum wage set in October 2023 for the year 2024, and in October 2024 for 2025, was above 50% of the average wage for the first seven months of the previous year (which is the information known at the time when the Government made the decision). It also shows that it was above 50% of the average wage for the full previous year, which can only be assessed ex-post.

The average gross wage from January to July 2023 equalled EUR 1 552 (Evidence No. 6). The statutory gross minimum wage for 2024 was set at EUR 840 (Evidence No. 11) representing a share of 54.1% in the average gross wage from January to July 2023. Therefore, the target was exceeded. Similarly, in 2024, the average gross wage for the first seven months amounted to EUR 1,793 (Evidence No. 7). The gross minimum wage for 2025 was established at EUR 970 (Evidence No. 12), representing a share of 54.1% in the average gross wage from January to July 2024. Therefore, the target was once again achieved. These figures demonstrate that Croatia satisfactorily fulfilled the target, using official data as a benchmark for ensuring adequate wage floors.

Considering the average gross wage for the full previous year, the share of the minimum gross wage, both for 2024 and 2025, remains above 53% of the previous year's average. More precisely, the average for the whole 2023 equalled EUR 1 584 (Evidence No. 13). Thus, the minimum wage of EUR 840 for 2024, amounted to 53.0% of the 2023 average wage. Similarly, the average gross wage for the whole 2024 equalled EUR 1 821 (Evidence No. 13). Thus, the minimum wage of EUR 970 for 2025, amounted to 53.3% of the 2024 gross average wage.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 296 Reducing the share of temporary contracts to 17%

Related Measure: C4.1 R4 Improvements to the labour legislation

Quantitative Indicator: % (Percentage)

Baseline: 18.1

Target: 17

Time: Q4 2024

1. Context:

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.

Target 296 relates to amendments to the Labour Law to create the conditions for reducing the number of temporary contracts, which is expected to decrease from 18,1% to no more than 17%. Target 296 is the fourth and last target of the reform, and it follows the completion of milestone 293, milestone 294 and target 295, related to the entry into force of the amendments to the Minimum Wage Act, the amendments or the adoption of a new Labour Law and a Law on Tackling Undeclared Work, which, among other things, limit the number of successive temporary contracts and regulate the transfer of workers from undeclared to declared work, and increasing the ratio of the minimum wage to average gross wage in 2024 to 50%, respectively.

The final expected date of completion of the reform is Q4 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Excel Sheet on the number of insured individuals under fixed term/non-specified employment contracts from the Croatian Institute for Pension Insurance	This document shows an excel sheet providing numbers on insured individuals under fixed term/non-specified employment contracts, spanning across January 2015 to January 2025. The data comes from the Croatian Institute for Pension Insurance, which maintains the registry of insured persons.
3	EUROSTART data on	This document shows an excel sheet extracted from

	the share of temporary contracts in Croatia	Eurostat on the share of temporary employees by sex, age and main reason. The numbers cover the period from 2015 to 2024.
4	The Amendments to the Labour Law, Official Gazette No. 151/2022 on 22 December 2022. The Act entered into force on 1 January 2023, as stipulated by Article 67 of the Labour law.	The Amendments to the Labour Law, link: https://narodne-novine.nn.hr/clanci/sluzbeni/2022_12_151_2343.html

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

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%.

The Amendments to the Labour Law were adopted by the Croatian Parliament on 16 December 2022 and published in the Official Gazette No. 151/2022 on 22 December 2022. The Act entered into force on 1 January 2023, as stipulated by Article 67 of the Labour law (Evidence No. 4).

With the entry into force of the amended Croatian Labour Law, stricter regulations were introduced to limit the use of fixed-term contracts, creating conditions for the reduction of their number. Amended Articles 12(1) and 12(3) require justified objective reasons even for first-time contracts, while Articles 12(2) and 12(4) limit consecutive contracts to three within three years (with some exceptions). Following a maximal period of three years, a six-month break is now mandatory before rehiring on a fixed-term basis, as stipulated in Article 12(9). Additionally, affiliated employers are now treated as the same entity to stop the rotation of employees across related companies, as stipulated in Article 12(6).

According to the Eurostat data (Labour Force Survey, hereinafter referred to as: LFS), the share of temporary employees, in per cent of all employees, declined from 17.9% in 2019 to 9% in 2024 (Evidence No. 3).[2] The overall decline in the indicator equalled 8.9 percentage points from 2019 to 2024. Thus, it largely exceeds the decrease envisaged in the target description. The significant improvement is clearly visible also in comparison with the share of temporary contracts for the whole EU. In 2019, the share of temporary contracts for Croatia was higher by 2.8 percentage points than the value for the whole EU. In 2024, the share for Croatia was lower than for the EU by 3.9 percentage points.

[2] The initial value of the indicator in 2019 has been revised and it now equals to 17.9% instead of 18.1% as described in the target description. The originally envisaged improvement in the share of temporary employees equalled 1.1 pps (the difference between the initial 18.1% and the target of 17%).

Considering the evidence provided and explained, target 296 has therefore been achieved, leading to a significant reduction in the number of temporary contracts, that was stronger than envisaged in the target description.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 299 An increase of at least 10% in the total pension income for beneficiaries of the redefined form of survivor's pension.

Related Measure: C4.2 R1 Increasing pension adequacy through continued pension reform

Quantitative Indicator: % (Percentage)

Baseline: 0

Target: 10%

Time: Q4 2024

1. Context:

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.

Target 299 relates to a redefinition of the survivor's pension model requiring an increase of the survivor's pension by at least 10% overall in relation to 2014 levels and introducing the possibility to use a part of the survivor's pension in addition to a personal pension, under conditions.

Target 299 is the second target of the reform, it is accompanied by target 301 which relates to an increase in the minimum pension of at least 3% overall in real terms, in this payment request. It follows the completion of milestone 297 on the entry into force of the new or amended Pension Insurance Act. It will be followed by milestone 298 related to adoption of the Act amending the Compulsory Pension Funds Act to increase the investment opportunities of compulsory pension funds, and milestone 300 related to the entry into force of the new or amended Pension Insurance Act, which shall contain measures, in line with the conclusions of the Working Group on the analysis of the situation of the pension system, to improve pension adequacy and sustainability of the pension system. The reform has a final expected date for implementation in Q4 2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target was satisfactorily fulfilled.
2	The Act on Amendments to the Pension Insurance Act	Copy of the amendments of the Pension Insurance Act adopted by the Croatian Parliament on 7 October 2022, published in the Official Gazette on 14 October 2022 (Official Gazette, No 119/22), and entered into force on 1 January 2023.
3	Official statistics on pension incomes of beneficiaries of survivor's pensions in	Five documents with official statistics from the Croatian Pension Insurance Institute,

	2024 and 2014	presenting relevant data at five different points in time.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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, […]

The Act on Amendments to the Pension Insurance Act (Official Gazette, No 157/13, 151/14, 33/15, 93/15, 120/16, 18/18 - Decision of the Constitutional Court of the Republic of Croatia, 62/18, 115/18, 102/19 and 84/21) was adopted by the Croatian Parliament on 7 October 2022, published in the Official Gazette on 14 October 2022 (Official Gazette, No 119/22), and entered into force on 1 January 2023, in accordance with Article 23 (Evidence No. 2).

Article 8 (amending Article 87, paragraph 1, point 13) increased all the Pension factors (*Mirovinski faktor*) for calculating the amount of the survivor's pension, by at least 10% (Evidence No. 2): from 0.7 to 0.77 for one surviving family member, from 0.8 to 0.88 for two surviving family members, from 0.9 to 1.0 for three surviving family members and from 1.0 to 1.1 for four or more surviving family members. The Pension factor enters the formula for calculating the amount of the survivor's pension multiplicatively, so that a change in the Pension factor leads to an equivalent percentage change in the amount of the pension, other things equal. The new factors are used in determining the amount of the pension without submission of the formal request and decision of the Croatian Pension Insurance Institute.

According to official statistics (Evidence No. 3), the average survivor's pension for December 2014 (payment in January 2015) was 1 887.13 HRK, which equalled 250.47 EUR. The average survivor's pension for the year 2014 amounted to 1 899.62 HRK, which equalled 252.12 EUR. New Pension factors were applied for the first time in the calculation of the survivor's pension for January 2023 (payment in February 2023). The average amount of the survivor's pension for January 2023 equalled 336.34 EUR and was by 33.4% higher than the average survivor's pension for the year 2014, i.e. by 34.3% higher than the average survivor's pension for December 2014. The impact of the reform is also visible by comparing the average amount of the survivor's pension for December 2022 (last month prior to entry into force of legislated increase in Pension factors), which stood at 306.58 EUR, with the corresponding amount in January 2023, equal to 336.34. This increase largely reflects the entry into force of the increase in Pension factors.

[...] 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.

Article 3 added new Articles 74a and 74b to the Pension Insurance Act. Article 74a, which redefined a survivor's pension model enabling the beneficiaries of a personal pension (of both old-age and invalidity pensions), under conditions related to age and income (more than 65 years of age and the amount of the pension in the Republic of Croatia not higher than 80 amounts of the Current Pension

Value)[3], to use a part of survivor's pension in addition to their personal pension (Evidence No. 2). In addition, Articles 4 and 5 of the Act extend the scope of use of part of the survivor's pension to a common-law partner, a divorced spouse with maintenance right, and to a formal or informal life partner.

The first official statistical data on beneficiaries of part of the survivor's pension were recorded for pension in May 2023 (payment in June 2023). The part of the survivor's pension was paid in the average amount of 94.17 EUR in addition to personal pension in the average amount of 435.31 EUR for 54 311 beneficiaries. Thus, the part of the survivor's pension amounted to 21.6% of the average personal pension for these beneficiaries. Considering that a submission of a request and the decision of the Croatian Pension Insurance Institute are prerequisites to start receiving a part of the survivor's pension in addition to personal pension, the number of these beneficiaries has increased over time, reaching 110 791 beneficiaries in December 2024 (payment in January 2025). The average personal pension for these beneficiaries in that month amounted to 541.71 EUR while the part of the survivor's pension equalled 112.16 EUR. Thus, redefining survivor's pension model and enabling the beneficiaries of a personal pension to use a part of survivor's pension in addition to their personal pension (under conditions) led to an average increase of pension income for these beneficiaries by 20.7%.

Considering the evidence provided and explained, target 299 has therefore been achieved, leading to an improved pension adequacy.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

[3] The Current Pension Value (Aktualna vrijednost mirovine – AVM) is the amount of pension that a beneficiary receives for one Personal point (Osobni bod). It's adjusted every six months by the Governing Council of the Pension Institute, based on data from Croatian Bureau of Statistics.

Number and name of the Target: 301 Increase of the minimum pension by 3%

Related Measure: C4.2 R1 Increasing pension adequacy through continued pension reform

Quantitative Indicator: % (Percentage)

Baseline: 0

Target: 3

Time: Q4 2024

1. Context:

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.

Target 301 relates to an increase in the minimum pension of at least 3% overall in real terms (namely in excess of the regular indexation) compared to 2020.

Target 301 is the third target of the reform, it is accompanied by target 299, which relates to a redefinition of the survivor's pension model requiring an increase of the survivor's pension by at least 10% overall in relation to 2014 levels, in this payment request. It follows the completion of milestone 297 on the entry into force of the new or amended Pension Insurance Act. It will be followed by milestone 298 related to adoption of the Act amending the Compulsory Pension Funds Act to increase the investment opportunities of compulsory pension funds, and milestone 300 related to the entry into force of the new or amended Pension Insurance Act, which shall contain measures, in line with the conclusions of the Working Group on the analysis of the situation of the pension system, to improve pension adequacy and sustainability of the pension system. The reform has a final expected date for implementation in Q4 2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target was satisfactorily fulfilled.
2	The Act on Amendments to the Pension Insurance Act	Copy of the amendments of the Pension Insurance Act adopted by the Croatian Parliament on 7 October 2022, published in the Official Gazette on 14 October 2022 (Official Gazette, No. 119/22), and entered into force on 1 January 2023.
3	Official statistics of minimum pension	Documents with official statistics from the Croatian Pension Insurance Institute, presenting

		relevant data at three different points in time.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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.

The Act on Amendments to the Pension Insurance Act (Official Gazette, No 157/13, 151/14, 33/15, 93/15, 120/16, 18/18 - Decision of the Constitutional Court of the Republic of Croatia, 62/18, 115/18, 102/19 and 84/21) was adopted by the Croatian Parliament on 7 October 2022, published in the Official Gazette on 14 October 2022 (Official Gazette, No 119/22), and entered into force on 1 January 2023, in accordance with Article 23 (Evidence No. 2).

Article 10 of the Act introduces changes to Article 90(2) of the Pension Insurance Act by setting the amount of minimum pension for each year of work that is considered towards the calculation of the pension amount (qualifying period) at 103% of the Current Pension Value[4] instead of the previous 100% (Evidence No. 1). Thus, this provision increases the amount of minimum pension by 3% (in addition to regular indexation). The Croatian Pension Insurance Institute is obliged to determine the increased amount of the minimum pension as of 1 January 2023, taking the increase from 100% to 103% of the Current Pension Value into account, without issuing a decision, as stipulated in Article 22(2). Thus, the Institute will determine the increased amount *ex officio*, without requiring a formal request by the beneficiaries and decision by the Institute.

According to official statistics from Pension Insurance Institute (Evidence No. 3, statistical reports with data for all months of 2020), the average amount of minimum pension for all 12 months of 2020 equalled 1 702.16 HRK, i.e. 225.92 EUR. The amended legislation on determining the amount of minimum pension was applied for the first time in the calculation of pension for January 2023 (payment in February 2023). Applying regular indexation, based on data from official statistics from Croatian Pension Insurance Institute (Evidence No. 3), to the average amount of minimum pension for the whole 2020 implies that the average minimum pension would have increased to 254.70 EUR by January 2023 due only to regular indexation until end of 2022.[5] However, the actual average amount of minimum pension for January 2023 equalled 267.79 (excluding the regular indexation applied in January 2023, Evidence No. 3) and was by 5.1% higher.

For further reference, according to official statistics (Evidence No. 3), the average amount of minimum pension for December 2020 (payment in January 2021) was 1 724.97 HRK, which equalled 228.94 EUR. Applying regular indexation to the average amount of minimum pension for December 2020 implies that the average minimum pension would have increased to 256.29 EUR by January

[4] The Current Pension Value (*Aktualna vrijednost mirovine* – AVM) is the amount of pension that a beneficiary receives for one Personal point (*Osobni bod*). It's adjusted every six months by the Governing Council of the Pension Institute, based on data from Croatian Bureau of Statistics.

[5] It should be noted that the legislated increase in minimum pension ensures an equal increase of 3% in the amount of minimum pension for a single beneficiary. However, the average amount of minimum pension received is also affected by the changing composition of the group of beneficiaries receiving minimum pensions (inflow and outflow of retired persons with different amounts of pensions in and out from this group).

2023 due only to regular indexation until end of 2022. The actual average amount of minimum pension for January 2023 equalled 267.79 (excluding the regular indexation applied in January 2023, Evidence No. 3) and was higher by 4.5%.

Furthermore, the average amount of minimum pension of 267.79 EUR for January 2023 (the first month after the entry into force of the amended legislation) was by 3.3% higher than a month before, in December 2022, when it amounted to 259.25 EUR. This statistical data is presented without regular indexation of pensions as the amounts compared are not affected by any.

Considering the evidence provided and explained, target 301 has therefore been achieved, leading to an improved pension adequacy.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 305 Adoption of a normative rule on functionally integrated social benefits

Related Measure: C4.3.R1 Transparency and adequacy of social benefits in the social protection system

Qualitative Indicator: Entry into force of the Social Welfare Act or Inclusive Supplement Act

Time: Q4 2024

1. Context:

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. Furthermore, the reform shall allow faster and more efficient provision of benefits by merging existing social benefits into a single benefit. The reform measure shall aim to achieve better coverage and fairness by improving eligibility and adequacy in the application of the benefits. Some aspects of this reform are envisaged to be phased in gradually over a longer period, while others can be more promptly implemented. For this reason, the reform will require changes to some legislation at two points in time.

Milestone 305 relates to the amendments to the Social Welfare Act of the inclusive supplement Act on integrated social benefits. Milestone 305 is the fourth milestone of the reform, and it follows the completion of milestone 302, milestone 303 and milestone 398. It will be followed by target 304 related to the total number of beneficiaries of the guaranteed Minimum Benefit and national compensation for elderly persons.

The reform has a final expected date for implementation in Q2/2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Expert analysis of the World Bank on strengthening social assistance policy in Croatia, third version of 23 January 2023	This document shows an expert analysis of the World Bank, recommending actions for strengthening social protection in Croatia.
3	Copy of the Act on amendments to the Social Welfare Act,	This document shows a copy of the Act on amendments to the Social Welfare Act, adopted by the Croatian Parliament on 28 March 2025 and

	adopted by the Croatian Parliament on 28 March 2025 published in the Official Gazette (61/2025) on 31 March 2025 and entered into force on 1st April 2025 in accordance with Article 47.	published in the Official Gazette (61/2025) on 31 March 2025. It entered into force on 1st April 2025. https://narodne-novine.nn.hr/clanci/sluzbeni/2025_03_61_800.html
4	Copy of Decision on the basis for calculating the amount of Inclusive allowance (supplement), published in the Official Gazette on 12 January 2024 (5/2024), adopted on 11 January 2024, and entered into force on 13 January 2024.	This document shows a copy of the decision on the basis for calculating the amount of Inclusive allowance (supplement), published in the Official Gazette on 12 January 2024 (5/2024), adopted on 11 January 2024, and entered into force on 13 January 2024. https://narodne-novine.nn.hr/clanci/sluzbeni/2024_01_5_96.html
5	Copy of the Inclusive Allowance Act, adopted by the Croatian Parliament on 15 December 2023 and published in the Official Gazette (156/2023) on 27 December 2023. It entered into force on 1st January 2024.	This document shows a copy of the Inclusive Allowance Act, adopted by the Croatian Parliament on 15 December 2023 and published in the Official Gazette (156/2023) on 27 December 2023. It entered into force on 1st January 2024. https://narodne-novine.nn.hr/clanci/sluzbeni/2023_12_156_2383.html
6	Government decision on how to determine the basis of calculation for welfare benefits published in the Official Gazette (NN 140/2025) on 14 November 2025 and entered into force on 22 November 2025.	The document shows a copy of a government decision outlining the method for determining the basis for calculating social security benefits in Croatia. https://narodne-novine.nn.hr/clanci/sluzbeni/2025_11_140_2086.html
7	Government decision establishing the National Council for the Development of Social Policies, published in the Official Gazette (2/2025) on 3 January 2025 and entering into force on the same day, in accordance with Article 15.	This document shows a copy of the government decision establishing the National council for the development of social policies. https://narodne-novine.nn.hr/clanci/sluzbeni/2025_01_2_10.html

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

Amendments to the Social Welfare Act or the Inclusive Supplement Act on integrated social benefits which shall:
The Act amending the Social Welfare Act (Evidence No. 3) was adopted by the Croatian Parliament on 28 March 2025, published in the Official Gazette (61/2025) on 31 March 2025, and entered into force on 1st April 2025. The Inclusive Allowance Act (Evidence No. 5) was adopted by the Croatian Parliament on 15 December 2023 and published in the Official Gazette (156/2023) on 27 December 2023. It entered into force on 1st January 2024.

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.

The Decision to adjust the amount of the guaranteed minimum benefit for 2025 (Evidence No. 4) was published in the Official Gazette (151/2024). According to Article 1 of this decision, the calculation basis for the guaranteed minimum benefit in 2025 is set at EUR 160.00.

In addition, the Act amending the Social Welfare Act (Evidence No. 3), in Article 5 (amending Article 27, paragraph 3) of this Act, the shares for a working-age adult and an adult completely incapable of work or elderly remain unchanged at 70% and 95% respectively. However, increases have been introduced for single parents and children: the share for a single working-age parent rises from 120% to 145%, and for a single parent who is completely incapable of work from 135% to 160%. Children's shares have also been substantially increased, with the basic child share rising from 70% to 95% and further increases for children in single-parent households from 80% to 105% and single parents' children from 90% to 115%. Pregnant women and women within six months post-childbirth also see their share increased from 120% to 145%. The amount of guaranteed minimum benefit for a household is determined as an amount representing the sum of shares for each household member, thus allowing for the integration of the GMB with other social benefits.

Define the (functional) integration of social benefits on the basis of expert analysis;

According to the World Bank's expert analysis on strengthening social assistance policy in Croatia (Evidence No. 2), the social assistance system is marked by robust performance of certain benefits, but also with programs that require strengthening. The analysis therefore recommends increasing the share of means-tested support, simplifying Guaranteed Minimum Benefit (GMB) administrative procedures, and consolidating some benefits to improve efficiency and targeting of social assistance.

Accordingly, the Inclusive Allowance Act (Evidence No. 5) consolidates previously separate benefits—including the personal disability allowance, the allowance for assistance and care, the financial support for unemployed persons with disabilities, and child disability-related supplements—into a single entitlement. This consolidation is implemented through a defined classification system based on functional impairments and corresponding levels of support, as outlined in Articles 5, 11, and 40–42. The Inclusive Allowance Act (Evidence No. 6) also introduces a methodology for assigning levels of support using functional criteria determined through expert

evaluation. According to Articles 9, 12, 13, and 22, eligibility and the extent of support are assessed based on findings from the Institute for Expertise, Vocational Rehabilitation and Employment of Persons with Disabilities. This approach aligns with the World Bank's recommendation to structure integration around standardised and professional assessments rather than categorical eligibility alone.

Strengthen provisions on eligibility for receiving social benefits inter alia through better use of means and income testing;

The amended Social Welfare Act (Evidence No. 3) introduces stricter definitions of household composition and dependency, which have direct implications for eligibility assessments. Articles 2, 3, and 4 revise the status of children within households by excluding those over the age of 15 who are not in regular education from being considered dependents for the purpose of benefit calculations. Article 3 also introduces a new ineligibility condition, explicitly excluding from household composition any member who is provided with accommodation or organised housing, thus preventing the duplication of benefits for individuals who already receive institutional support. Furthermore, Article 7 eliminates references to outdated and overlapping benefits, such as the personal disability allowance, replacing them with the inclusive allowance. This change consolidates the benefit structure and reduces the possibility of double claims.

Include measures and provisions to improve coverage, adequacy and targeting of social benefits, based on expert analysis and with a particular focus on people suffering from persistent poverty;

Following expert analysis (Evidence No. 2), the amendments refine targeting by adjusting how household composition is determined when calculating eligibility. Articles 2, 3, and 4 revise Articles 24–26 of the amended Social Welfare Act (Evidence No. 3) to exclude from household calculations children over the age of 15 who are not in regular education and individuals who are provided with institutional accommodation. This narrowing of the household definition aligns with principles of more accurate targeting by reducing the overestimation of financial need in households where members are either independent or already supported elsewhere. Article 4 further introduces a positive inclusion of full-time students up to the age of 26, thereby extending coverage to a group at risk of exclusion despite being economically dependent.

In addition, the amendments make improvements to adequacy by updating the calculation formula for the guaranteed minimum allowance. Article 5 of the Amendments to the Social Welfare Act amends Article 27(3) of the Act to assign different weights (percentages of the base amount) to household members based on their characteristics. For example, adults unable to work are assigned 95% of the base, single parents receive up to 160%, and pregnant women or women within six months postpartum are entitled to 145% of the base. These differentiated rates provide a more tailored assessment of need and are designed to increase the adequacy of support for groups identified as especially vulnerable.

Finally, coverage is expanded through provisions in Article 6, which amends Article 28 to ensure that homeless persons, full-time students receiving study allowances, and victims of domestic violence or trafficking—if they meet general eligibility criteria—are all entitled to the full guaranteed minimum benefit (Evidence No. 3).

Contain provisions on the monitoring process and the involvement of relevant stakeholders during implementation; Contain provisions on the evaluation and monitoring of social benefits effectiveness and adequacy

The Government decision on the method of determining the bases for calculating the amount of benefits in the social welfare system was published in the Official Gazette (NN 140/2025) on 14 November 2025 and entered into force on 22 November 2025 (Evidence No. 6). Article III of the government decision outlines that Advisory Body (the National Council for Development of Social Policy) is required to issue opinions based on key social indicators, including poverty and social exclusion rates, income distribution, unemployment, demographic trends and access to essential services. This opinion will inform the Minister's proposal for the basis of calculation for welfare benefits, as stated in Article I of the decision, which requires that the basis of calculation be established on a proposal from the Minister responsible for social welfare. Furthermore, the opinion must contain recommendations on the adequacy of social benefits in relation to the cost of living, as well as an assessment of their effectiveness in reducing poverty and social exclusion, demonstrating that the monitoring process is not only focused on tracking outcomes, but also on providing feedback and guidance for improvement.

Furthermore, a government decision establishing the National Council for the Development of Social Policies (Evidence No. 7) ensures with Article 3 and Article 4 a continuous monitoring process of the Council and involvement of relevant stakeholders during implementation. Specifically, Article 2 of the Rules of Procedure requires the Council to adopt an annual work plan for the following year by 31 December of the current year, and to submit an annual activity report for the previous year to the Ministry of Labour, Pension System, Family and Social Policy by 31 January of the current year. Additionally, Article 8 of the Rules of Procedure provides for the Council to meet at least once every three months, and for the presence of a majority of members or alternate members to be required for the proper functioning of the Council, which ensures that stakeholders are regularly involved in the Council's decision-making process. Overall, these provisions demonstrate that the National Council for the Development of Social Policies has established a framework for monitoring its work and involving relevant stakeholders in its implementation, in line with the requirement to contain provisions on the monitoring process and the involvement of relevant stakeholders during implementation.

The Council Implementing Decision required that the amendment should happen via the primary Social Welfare Act or the Inclusive Allowance Act. The Member State has instead implemented the amendment via a government decision (Evidence No. 6). Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the deviation is acceptable because government decisions remain legally binding. This deviation concerns internal procedures of the Member State, as it relates to the choice of legislative instrument used to implement the amendment and does not affect the progress towards the achievement of the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Introduce indexation as the standard feature of social benefits

The Government decision on how to determine the basis of calculation for social welfare benefits (Evidence No. 6) establishes the methodology for adjusting the basis for calculating social security benefits. Specifically, Article IV highlights the use of a specific economic indicator, namely the average consumer price inflation rate, as a basis for adjusting social benefits, thereby providing a mechanism for ensuring that benefits keep pace with the cost of living. This decision further introduces an adjustment mechanism, whereby the draft basis for calculating benefits *" will be in the amount higher than the amount determined by previous decisions, unless the average rate of consumer price inflation in the previous year is negative or if the planned budget balance for the current year is at least 0.5 percentage points of GDP lower than that of the previous year and close to or below -3% of GDP."* (Article IV), thereby ensuring that benefits are adjusted in response to

changes in the economic indicator, whilst allowing for adjustments to be made in a manner that is fiscally sustainable, while also considering the broader economic context.

The Council Implementing Decision required that the amendment should happen via the primary Social Welfare Act or the Inclusive Allowance Act. The Member State has instead implemented the amendment via a government decision (Evidence No. 6). Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the deviation is acceptable because government decisions remain legally binding. This deviation concerns internal procedures of the Member State, as it relates to the choice of legislative instrument used to implement the amendment and does not affect the progress towards the achievement of the reform that the milestone represents. Moreover, the Government Decision forms part of the national legislative framework, as it is legally embedded in and derives its authority directly from the Social Welfare Act as the primary act. Therefore, it should be considered an integral and legally valid component of the overall regulatory framework governing the implementation of the reform. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 308 Digital availability of information on social protection benefits at national level

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

Qualitative Indicator: 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

Time: Q4 2024

1. Context:

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 all types of social benefits in a social protection system at the national level are available in the application.

On the basis of project file and a technical specification, a web application is developed and made accessible to all citizens. The application provides access to information on all existing social security benefits in the social protection system and the indicative possibility to obtain them at the national level. The criteria and conditions for obtaining all types of social benefits in a social protection system at the national level are available in the application.

Milestone 308 is the only milestone of this investment, R1-I2 Development of a web application on the possibility to receive social benefits at the national level. The investment has a final expected date for implementation by 31 December 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document that justifies how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Public procurement contract for the service of developing the technical and functional specifications for the creation of a web application on the possibilities of accessing social benefits within the social protection system at	(JN-M-2022-22) signed by the Ministry of labour, pension system, family and social policy and the company Dyvolve d.o.o., on 9 February 2023.

	the national level	
3	Public procurement contract for the development of a web application on the possibilities of accessing social benefits within the social protection system at the national level	(JN-M-2023-19), signed by the Ministry of labour, pension system, family and social policy, and the company RIS d.o.o., on 1 March 2024.
4	Detailed technical and functional specification	Document on which the web application development was based upon.
5	User manual	Video user manual
6	Link to the web application	https://naknade.hr/ (geolocation – access only from Croatia)
7	Handover record 1_Dyvolve	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company Dyvolve d.o.o.
8	Handover record 2_Dyvolve	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company Dyvolve d.o.o.
9	Handover record 3_Dyvolve	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company Dyvolve d.o.o.
10	Handover record 4_Dyvolve	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company Dyvolve d.o.o.
11	Handover Record 1_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company RIS d.o.o.
12	Handover Record 2_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company RIS d.o.o.
13	Handover Record 3_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company RIS d.o.o.
14	Handover Record 4_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company RIS d.o.o.
15	Handover Record 5_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system,

		family and social policy and the company RIS d.o.o.
16	Handover Record 6_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company RIS d.o.o.
17	Handover Record 7_RIS	Certificates of the services completion, signed by the Ministry of labour, pension system, family and social policy and the company RIS d.o.o.
18	Inclusive Allowance Act ("Official Gazette", No. 156/23)	Published 27 December 2023, entered into force on 1 January 2024.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the milestone.

On the basis of project file and a technical specification a web application shall be developed and made accessible to all citizens.

Following an open public procurement procedure, on 9 February 2023, the Ministry concluded a public procurement contract for the service of developing a project file with technical and functional specification for a web application regarding the possibility of obtaining social benefits from the national social protection system (Evidence No. 2) with the company Dyvolve d.o.o.

The contract was implemented in five phases, for which four records of services performed were provided (Evidence No. 7-10). In October 2023, Dyvolve d.o.o. delivered the final version of the technical and functional specification for the creation of the web application (Evidence No. 4).

This document formed the basis for launching the public procurement procedure for the development of the web application on the possibility of obtaining social benefits at the national level. Following the completion of the procedure on 1 March 2024, the Ministry concluded a public procurement contract for the development of the web application (Evidence No. 3).

All necessary phases and activities were completed by 31 December 2024 (Evidence No. 11-17). As a result, a web application on the possibility of obtaining social benefits from the national social protection system was successfully developed and is now accessible to citizens at the link under Evidence No. 6.

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 web application includes parameters for identifying eligibility for financial benefits across various branches of the social protection system, including social welfare, pensions, and health care. It is accessible to all citizens through a web interface and does not require users to identify themselves, as the questionnaire can be completed entirely anonymously. Users are guided through a series of structured questions based on a predefined logic embedded in the application. Upon answering the final question, the application prompts users to review their results regarding potential eligibility for government-provided social benefits. Using a built-in algorithm, the

application analyses all responses and generates a list of benefits the user may be entitled to, along with the relevant government institutions responsible for granting each benefit (Evidence No. 4-6).

The Commission services conducted an on-the-spot check on 21 May to verify the alignment of the certificates of works completion, the link to the web application, and the screenshots of the application submitted for milestone 308 with the actual functioning of the web application (Evidence No. 18). This check was completed successfully, confirming that the web application is operational and provides access to comprehensive information on 10 types of social benefits at the national level, including the criteria and conditions for obtaining them, as required by the Council Implementing Decision.

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.

The web application was designed to include the criteria and conditions for obtaining all social benefits in a social protection system at national level (10 types of social benefits within the national social protection system) (Evidence No. 4). However, following the creation of the detailed technical and functional specification, the Inclusive Allowance Act (Evidence No. 19) entered into force, resulting in the replacement of three previously defined allowances—assistance and care allowance, personal disability allowance, and cash assistance for unemployed persons with disabilities—with a single, consolidated benefit: the Inclusive Allowance (Article 45, points 1 and 2, of the Act). Consequently, the total number of social benefits covered by the application was adjusted from 12 to 10. The Council Implementing Decision Requirement is considered fulfilled as all national level social benefits are part of the application.

The final version of the application now includes the eligibility criteria for the following benefits: 1. Guaranteed Minimum Benefit, 2. Compensation for housing costs, 3. Compensation for vulnerable energy customers, 4. Compensation for funeral expenses, 5. Compensation for full-time studies, 6. Status of parent caregiver and/or caregiver, 7. Inclusive Allowance, 8. National allowance for older persons, 9. Child allowance, and 10. One-time financial support for a newborn child (Evidence No. 5-6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 314 Strengthening human capacity to deliver community-based services

Related Measure: C4.3 R3-I1 Strengthening the capacity of community service professionals

Quantitative Indicator: Number

Baseline: 0

Target: 400

Time: Q4 2024

1. Context:

The objective of this measure is to improve human capacity to deliver social services through educational activities and the recruitment of professionals. The investment finances the training and licensing of 750 Advisers on legal family protection measures and 40 Family Assistants. Additionally, 400 professional workers in social care institutions are recruited to provide out-of-institutional services. The investment contributes 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.

Target 314 is the only target of this investment, with final expected date for implementation in Q4/2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Employment contract for a family assistant	This document shows an employment contract between the Centre for Providing Services in the Community of Lipik and a prospective family assistant. The contract was signed on 21 September 2023.
3	Employment contract for an expert worker in the child protection system	This document shows an employment contract between the Osijek Community Service Delivery Centre and a prospective leader of family protection measure. The contract was signed on 4 October 2023.
4	Employment contract for a caregiver	This document shows an employment contract between the Roll Community service Centre and a prospective caregiver. The contract was signed on 27 October 2023.
5	Employment contract for	This document shows an employment contract between

	a physiotherapist	the Centre for Education in Split and a prospective physiotherapist. The contract was signed on 17 January 2023.
6	Application for licensing of professional training program for leaders of family protection measures – advisers.	This document shows an application for licensing of a professional development program for leaders of family protection measures, specifically a training program for managers of measures to protect children's rights and well-being in the welfare system.
7	Certificate of completion for a professional development programme	This document shows an example of certificate of completion for the performance of the duties of manager of a professional measure assistance and support in childcare and intensive professional assistance and supervision measures on taking care of the child.
8	Certificate of completion of training for coaches And training of family staff	This document shows an example of a certificate of completion of training for coaches and training of family staff
9	Certificate of completion of training for the work of a family assistant	This document shows an example of a certificate of training for the work of a family assistant
10	Justification for compliance with licensing standards	This document shows a justification for compliance with licensing standards. It provides a description of a professional development program for action managers in the social welfare system, specifically focused on strengthening their capacity to work with families and protect children's rights and well-being.
11	Excel table of employed workers for community service	This document shows an excel table of employed workers for community service. It covers 25 community service centres and shows a total of 418 contractors.
12	Excel table of educated family protection measures leaders (advisers) and trainers.	This document shows an excel table containing the number of educated family protection measures leaders and trainers. It shows a total of 775 individuals who received the training and the corresponding training content and modules.
13	Excel table of educated family assistants and trainers	This document shows an excel table containing the number of educated family associates and trainers. It shows a total of 51 individuals who received the training for family assistants and the corresponding training content and modules. It also shows 30 individuals who received training to become trainers of family assistants.
14	Training programme for family assistants	This document shows the 5-day training programme for family assistants.
15	Training programme for the training of family associates	This document shows the 2-day training programme for the trainers of prospective family associates
16	Training programme for	This document shows the 5-day training programme for

	leaders of measures to protect the rights and well-being of children in the welfare system	leaders of measures to protect the rights and well-being of children in the welfare system
17	Training programme for trainers of leaders of family assistance measures	This document shows the 3-day training programme for trainers of managers of family assistance measures
18	Example of a Signature List for leaders of family protection measures 4th and 5th day	
19	Example of a Signature List for leaders (advisers) of family protection measures 1st, 2nd and 3rd day.pdf	
20	Example of a Signature List for family assistants	
21	Program for leaders (advisers) of family protection measures licensing certificate	This document is a confirmation of meeting standards for licensing of professional programmes training, specifically for the 'Education of social welfare managers of child rights and welfare measures' programme. This document was issued on 15 July 2024 by the Ministry of labour, pension system; families and social policies.
22	Official document launching the training programme for family assistants	This document shows the official correspondence related to the implementation of a reform measure for the development of community-based services to prevent institutionalisation for family assistants, involving parties such as the Ministry of Labour, Pension System, Family and Social Policy, UNICEF, and the Zagreb Children's Centre.
23	Official document launching the training programme for leaders of family protection measures	This document shows the official correspondence related to the implementation of a training program for leaders of family protection measures, involving the Ministry of Labour, Pension System, Family and Social Policy, UNICEF, and the Croatian Social Workers' Association.
24	Progress report from UNICEF	This document shows a PROGRESS REPORT on the Implementation of the reform, measure C4.3.R3 "Development of the community-based services with the aim of preventing institutionalization" and the investment C4.3.R3-I1 "Capacity building of community-based service professionals" within the National Recovery and Resilience Plan 2021 – 2026, produced by UNICEF in February 2025
25	Memorandum of Understanding between UNICEF and the Ministry of Labour, Pension System, Family and Social	This document shows an agreement between UNICEF and the ministry of labour, pension system, family and social policy, for a joint partnership for the of the implementation of the reform measure C4.3.R3 "Development of the community-based Services with

	Policy	the aim of preventing institutionalisation" and investment C4.3.R3-I1 Capacity building of community-based service professionals within the National Recovery and Resilience Plan 2021-2026. It was signed on 5 May 2022.
26-27	Two samples of 60 units	For leaders of family protection (one sample) and family associates (one sample) the official document launching the training, completion certificates, and signature lists were provided. For social workers, employment contracts were provided.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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 protection measures.

The recruitment of new professionals in social services to provide out-of-institutional services was achieved through the hiring of various personnel, as evidenced by employment contracts, provided as examples, for a family associate (Evidence No. 2), an expert worker in the child protection system (Evidence No. 3), a caregiver (Evidence No. 4), and others. A total of 418 have been employed across 25 community service centres, as provided for in an overview of all persons hired (Evidence No. 11).

Additionally, training programs were implemented to enhance the capacity of these professionals, including a 5-day training programme for family associates (Evidence No. 14), a 2-day training programme for trainers of prospective family associates (Evidence No. 15), and a 5-day training programme for leaders (also referred to as advisers) of measures to protect the rights and well-being of children in the welfare system (Evidence No. 16).

Regarding the training and licensing of advisers on legal family protection measures, a total of 775 advisers of family protection measures were educated and certified by the end of December 2024 (Evidence No. 12). The training curriculum, which includes 10 thematic modules over 5 days, was designed to enhance the skills and knowledge of leaders in protecting the well-being of children (Evidence No. 16). The program was licensed by the Ministry of Labor, Pension System, Family and Social Policy in July 2024 (Evidence No. 21), ensuring that it meets the required standards.

Following the selection of random samples of 60 units (Evidence No. 26-27) for leaders of family protection measure – Croatia submitted for each sampled professional, official resolutions admitting the individual to training and corresponding certificates confirmation that the training had been completed.

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.

The education and licensing of advisers of family protection measures have been successfully implemented, with a total of 775 leaders of family protection measures (referred to as professionals in social service in the Council Implementing Decision) educated and certified by the end of December 2024 (Evidence No. 12), exceeding the projected target of 750 professionals. Additionally, 25 trainers were trained to ensure the sustainability and continuity of education for advisers – also referred to as 'leaders' by the Croatian authorities – of family protection measures (Evidence No. 12 and evidence No. 17).

Regarding the education and employment of family associates (also referred to as assistants in the Council Implementing Decision), a total of 51 family associates were employed and educated in 23 state children's homes (Evidence No. 13), exceeding the target of 30 Family Assistants. The five-day training program for family associates was developed and conducted in two groups. It covered topics such as psychosocial support of the family, problems in the behaviour of children and young people, and assessment of developmental risks and child safety (Evidence No. 14). The training of 30 trainers was conducted in November 2024 (Evidence No. 13). A framework/methodology for monitoring the provision of family associate activities has also been developed, and the provision of family associate activities is additionally supported through mentoring meetings with principals and social workers (Evidence No. 24).

The employment contracts for various professionals, including family assistants, expert workers in the child protection system, caregivers, and physiotherapists, demonstrate the recruitment of new professionals in social services (Evidence No. 2-5). The certificates of completion for professional development programs, training for coaches and family staff, and training for family assistants provide evidence of the training and capacity-building efforts (Evidence No. 7- 9).

The target of recruiting 400 professional workers in social care institutions and social services providers was exceeded, as evidenced by the Excel table of employed workers for community service (Evidence No. 11), which shows a total of 418 contractors employed across 25 community service centres.

Following the selection of two random samples of 60 units (Evidence No. 26-27) – one for professional social workers and another for leaders of family protection measure – Croatia submitted for each sampled professional, official resolutions admitting the individual to training and corresponding certificates confirmation that the training had been completed. For each recruited professional, copies of signed work contracts were verified. The evidence provided for two samples – each of 60 units – confirmed that the requirements of the target have been met by completion of training improving skills on family protection measures and by employing required number of social professionals.

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 report highlights the establishment of community-based services in all Croatian counties, ensuring regional accessibility and evenness (Evidence No. 24). Furthermore, training and employment of professionals in social services contributed to development and regional accessibility as well as standardisation of treatment (Evidence No. 11-13).

The training and licensing of 775 leaders of family protection measures and 25 trainers (Evidence No. 12) have strengthened professionals' competencies for standardised treatment in family and legal protection work. The development of a training curriculum for leaders of family protection measures, including a final examination of knowledge and skills, and the licensing of the program by the Ministry of Labor, Pension System, Family and Social Policy, ensure that professionals have the necessary competencies to provide standardised treatment (Evidence No. 16, Evidence No. 21).

The Progress report from UNICEF (Evidence No. 24) mentions the development of a framework/methodology for monitoring the provision of family associate activities, which is supported by mentoring meetings with social service centre staff. This demonstrates the investment's focus on ensuring the quality and standardisation of community-based social services.

Finally, the training program for family associates (Evidence No. 14) covers topics such as:

- System and principles of protection and care of children and families at risk (Day 1)
- Psychosocial support of the family (Day 1)
- Problems in the behaviour of children and young people (Day 2)
- Assessment of developmental risks and child safety (Day 2)
- Care and health of the child (Day 2)
- Household management - basic knowledge for successful instructional support to parents in household management (Day 3)

These topics of the training program have been designed to equip family associates with the knowledge and skills to support families with children, particularly those at risk of separation or institutionalisation.

The training program for leaders of family protection measures (Evidence No. 16) covers topics such as:

- The role of the leader of measures in protecting the well-being of the child (Day 1)
- Legal framework and standards of social welfare for children (Day 1)
- Lists and concepts of assessment in the protection of children for whom measures of professional assistance have been imposed (Day 2)
- How to motivate a change in parental behaviour – the importance of the communication process, as well as the phases of change and acquisition of basic motivational conversation skills (Day 3)
- Understanding and resolving conflicts in the family (Day 3)
- Conflict-separated parenting (Day 4)
- Behavioural problems of the child (Day 4)
- Mental disorders of parents and their effect on the child (Day 4)
- Violence in the family with an emphasis on children's exposure to partner violence (Day 5)

These topics point to the fact that the training program is designed to equip leaders of family protection measures with the knowledge and skills to support children and families in complex and vulnerable situations, including those affected by conflict, separation, or violence.

Overall, the evidence suggests that the investment has contributed to the development and regional accessibility of community-based social services, strengthened professionals' competencies for standardised treatment in family and legal protection work, and helped prevent the institutionalisation of children, young people, and other socially vulnerable groups, thereby

achieving the target's objectives (Evidence No. 24, Evidence No. 11, Evidence No. 12, Evidence No. 13, Evidence No. 16, Evidence No. 21, Evidence No. 22, Evidence No. 23, Evidence No. 25).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 378 Entry into force of the Regulation on Landfilling Tax

Related Measure: C1.3 R2-I1 Waste disposal reduction programme

Qualitative Indicator: Provision in a Regulation on Landfilling Tax indicating its entry into force

Time: Q4 2024

1. Context:

Milestone 378 is part of investment C1.3 R2-I1 which aims to put in place the necessary infrastructure to reduce landfilling and promote recycling, especially to focus on the construction and equipping of facilities for separately collected bio-waste, sorting facilities and sorting sites, as well as informative and educational activities aimed at citizens and waste transfer stations.

Milestone 378 specifically requires entry into force of the Regulation on Landfilling Tax.

Milestone 378 is the second milestone of the investment, and it follows the completion of target 84. It will be followed by target 86, target 87, target 88, target 380 and target 381, related to waste-related facilities, fixed/mobile waste sorting sites, equipment for biowaste treatment and the construction of waste transfer stations. The investment has a final expected date for implementation in Q1/2026.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Regulation on Landfilling Tax, Official Gazette, No. 137/2024, entered into force on 1 January 2025, in accordance with Article 4.	Link: https://narodne-novine.nn.hr/clanci/sluzbeni/2024_11_137_2259.html
2	Analysis Report on the Introduction of the Landfilling Tax	The Report includes an analysis on the impact of regulating different tax rates for types of waste
3	Cover note	Summary document duly justifying how the milestone was satisfactorily fulfilled

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

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 Government of Croatia adopted the Regulation on Landfilling Tax (hereinafter referred to as: "Regulation") on 28 November 2024, in accordance with Article 100(6) of the Waste Management Act (Official Gazette, No. 84/21, 142/23). The Regulation was published in the Official Gazette on 29 November 2024 and entered into force on 1 January 2025, in accordance with Article 4 (Evidence No. 1).

Articles 1 and 2 of the Regulation prescribe a unit fee that enables the calculation of the landfilling tax fee in accordance with the Waste Management Act (Evidence No. 1).

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.

The Regulation lays down provisions gradually increasing landfill tax to phase out landfilling of recyclable and recoverable waste. Article 2 of the Regulation stipulates that the unit fee increases annually. The units are tonnes, and the fees collected due to the landfill tax start from EUR 30 per tonne in 2025, increasing each year by EUR 5 up to EUR 50 per tonne from 2029 onwards (Evidence No. 1).

Article 3 of the Regulation determines how the revenues are used (Evidence No. 1) in line with the Waste Management Act, in particular its Article 99, such as constructing and upgrading waste management and recycling infrastructure, educational and informational activities.

The milestone is further specified in the Operational Arrangements, which requires: **The unit fee that enables the calculation of the landfilling tax and provisions on gradual increases of the landfill tax shall be set in line with an Analysis Report, which shall also include an analysis on the impact of regulating different tax rates for types of waste.**

For preparing the proposal for the amount of the landfill disposal tax in Croatia, an analysis of the implementation and impact of landfill fees in EU Member States was conducted. The resulting Analysis Report on the Introduction of the Landfilling Tax (Evidence No. 2, hereinafter referred to as: "Analysis Report") includes data on the amounts of waste disposed at landfills, an overview of the existing practices in EU countries (Evidence No. 2, chapters 3 and 4, pages 6-16, 17-51), a simulation of the unit fee calculation based on the type and quantity of waste for landfills (Evidence No. 2, Annex 2, pages 82-136, in line with Chapter 5, pages 52-69), and the impact of the landfill disposal tax on the cost of public waste collection services (Evidence No. 2, Chapter 5, pages 61-62 and 68-69).

Chapter 5 and Annex 2 of the Analysis Report (Evidence No. 2) contain the analysis on the impact of regulating different tax rates for types of waste, structured through the development of two scenarios. Concretely, in Chapter 5, two scenarios for the introduction of a landfill disposal fee in the Republic of Croatia were created: Scenario 1 - the introduction of a single unit fee for all types of waste with possible exceptions (pages 58-64), and Scenario 2 - different fee amounts for different categories of waste with possible exceptions (pages 65-69). Both scenarios include the proposals of

the unit fees that enable the calculation of the landfilling tax (pages 52-69) and provisions on gradual increases of the landfill tax, based on which the unit fee was determined and prescribed in the Regulation (pages 59 and 66). Annex 2 provides an analysis and simulation of the fees that would have been collected under Scenario 1 and Scenario 2, based on the available data.

The analysis generally estimates that, following the introduction of the landfilling tax, the annual reduction rate of disposed waste will be improved by up to 8.72 percentage points, and that the total amount of disposed waste and mixed municipal waste will decrease by more than 35% from the introduction of the fee until 2029 (Evidence No. 2, page 73).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 408 Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050

Related Measure: C7.1 R1-I2 Establishment of a hydrogen-based economy

Qualitative Indicator: Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 accepted by the Croatian Hydrocarbon Agency

Time: Q1 2025

1. Context:

The objective of the investment is to increase the uptake of production, and utilisation of renewable hydrogen.

Milestone #408 requires the Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 accepted by the Croatian Hydrocarbon Agency.

Milestone #408 is the second and the last step of the implementation of the investment, and it follows the completion of milestone #407, related to the entry into force of a legal Act designating the Croatian Hydrocarbon Agency as the hydrogen coordinating body in Croatia.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Copy of the Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050, from June 2024	The Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 was published on the website of the Croatian Hydrocarbon Agency: https://www.azu.hr/media/bzinzir0/hr-h2-studija-plana-razvoja-sazetak-31_07_24_v2.pdf
2	Odluka o prihvaćanju Studije plana razvoja i primjene Hrvatske strategije za vodik / Decision on accepting the Study on the Development and Implementation Plan of the Croatian Hydrogen Strategy until 2050, reference 406-09/22-01/25, 405-01/01-24-52 from 26 July 2024	Decision by the Croatian Hydrocarbon Agency on accepting the Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

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.

The Croatian authorities provided a copy of the Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 (Evidence No. 1) (hereinafter referred to as 'the Study') and a copy of the Decision by the Croatian Hydrocarbon Agency on accepting the Study of the Plan for the Development and Implementation of the Croatian Hydrogen Strategy until 2050 (Evidence No. 2). The Study analyses the most appropriate use of hydrogen in the decarbonization of the Croatian economy in subchapter 2.2 (Evidence No. 1 pages 12 to 15) and subchapter 3.5 (Evidence No. 1 pages 29 to 47), considering different possibilities and application of hydrogen value chains, for example as regards different modes of transport, industry, energy sector and heating. The Study defines the goals, measures and the dynamics of implementing the Croatian Hydrogen Strategy until 2050, and it examines the possibilities and application of technologies of the hydrogen value chain, from production, storage, transport, distribution and utilisation.

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.

The potential use of hydrogen in the Study, before considering other sectors, focuses on decarbonisation of sectors that are difficult to electrify, such as industry (high-temperature processes), production of glass and isolation material, food processing and ceramics sectors in subchapter 3.5.3 (Evidence No. 1 pages 40 to 43). In subchapter 3.5.2 the potential use of hydrogen in the Study further focuses on:

- heavy-duty vehicles such as buses and trucks (Evidence No. 1 page 34),
- maritime transport, for example ferries or smaller vessels (Evidence No. 1 pages 38); and
- rail transport, for example for retrofitting of diesel locomotives to hydrogen or the use of hybrid battery-electric trains and exclusively battery-powered trains (Evidence No. 1 pages 36 to 37).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Loan support

Number and name of the Target: 154 Training modules for strategic planning and regulatory impact assessment at national, regional and local level.

Related Measure: C2.1 R1-I2 Strengthening capacity in strategic planning and better regulation

Quantitative Indicator: Number

Baseline: 0

Target: 10

Time: Q4 2024

1. Context:

The objective of this investment is to improve capacities in the strategic planning and regulation system in Croatia as well as improve performance in carrying out related tasks. The measure shall be completed by 31 December 2024.

Target 154 calls for 10 educational training modules to be developed together with the National school of public administration to improve professionalisation.

Target 154 is the first step of the implementation of the investment. It will be followed by target 155, related to the execution of the trainings. The investment has a final expected date for implementation in December 2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the target was fulfilled
2	Report confirming delivery of modules.pdf	Report confirming that the work has been carried out by external experts and all requirements in the contract, related to the preparation of trainings, had been fulfilled
3	Annex 1_Report describing the content of each of the 10 modules.pdf	
4	Program izobrazbe_Modul 1-10.docx	10 documents describing the content of each of the 10 modules
5	Modul 1-10_FINAL.pdf	10 documents with power point presentations used during the 10 educational modules
6	Biblioteka zadataka_Modul 1-10.docx	10 documents with test questions for each module
7	Annex 5 Contract.pdf	Contract with external experts for designing the

		educational modules
8	Annex 4_Screenshots from National School for Public Administration system .pdf	Screenshots for already carried out trainings (as they are not visible on the website after the date of the training has passed)
9	Annex 6 Competency Framework and Jobs Description.docx	

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

10 educational/training modules for strategic planning, and better regulation shall be developed to ensure professionalisation of work...

The Ministry of Regional Development and EU Funds signed a contract with the external experts (WYG consulting) on 7 August 2024 (Evidence No. 7), which encompasses three components: 1) development of the competency framework; 2) development of the educational/training modules; and 3) Implementation of the trainings as per developed modules (see page 8 of the contract).

Under component 1, a comprehensive competency framework was set up which provides a mapping of posts including essential skills and knowledge needed in the fields of strategic planning, regulatory impact assessment and evaluation, and public consultations, to be used when developing training modules for staff (page 8, Evidence No. 9). The competency framework in section 2.1 of the deliverable provides detailed descriptions of these elements thus confirming the professionalisation of work is ensured.

Under component 2, based on the competency framework, the external experts developed 10 educational/training modules which are described on pages 9-16 of the contract (Evidence No.7, Evidence No.2), the report describing the content of each module (Evidence No.3) and the educational program description, namely detailed contents of each program module (Evidence No.4). The modules range from providing a basic introduction into strategic planning, drafting strategic acts, monitoring and reporting on the implementation, evaluation and using regulatory impact assessment leading to improved capacities of relevant staff.

…including eLearning companions with technical support of the NSPA (National School of Public Administration).

Furthermore, under component 2, deliverables 2.3 and 2.4 (pages 17-18, evidence No.7) required the preparation of eLearning companions. As indicated under deliverable 2.4 these learning materials are to be designed and used with the technical support of the National School of Public Administration on their MOODLE platform. The aim of the eLearning companions is to enable virtual and hybrid learning throughout the territory of Croatia (Evidence No.7). The deliverables were provided as confirmed by the certificate of completion (Evidence No.2).

The modules shall be developed by end of 2024.

The Council Implementing Decision required that modules shall be developed by the end of 2024. A certificate confirming the delivery of modules 1 and 2 was signed by the Ministry and the external contractor on 2 June 2025 thus confirming that the contract elements under these two modules had

been delivered (Evidence No. 2). Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the report confirming the delivery of the modules clearly shows that all substantive elements required by the target description, including the design of the training modules as well as the learning material have been fulfilled. Moreover, the modules were developed well before the submission of the payment request by Croatia, and the Commission was able to verify that all requirements are in place. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Training modules for strategic planning and regulatory impact assessment at national, regional and local level

As shown in sections 2 of Evidence No.4 and later in detailed module descriptions (Evidence No.6) the modules target three different levels of government, ranging from local, regional and national levels comprising specific subject areas such as specific rules on strategic planning in local government units, guidelines on use of strategic planning with acts of national significance and defining local action plans.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 315 Single Information System (SocSkrb information system)

Related Measure: C4.3 R3-I2 Improving the digitalisation of social welfare system and connecting social welfare centres with social service providers

Quantitative Indicator: Percentage

Baseline: 0

Target: 1

Time: Q4 2024

1. Context:

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 includes 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 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. It involves all stakeholders in the process of recognising rights and providing services to the user, thus it allows 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 is integrated into the existing SocSkrb information system used by social welfare centres. Finally, this enables the IT connection of all social welfare centres with the social service providers financed by the state budget.

Target 315 is the only target of this investment, and the investment has a final expected date for implementation by 31 December 2024.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document that justifies how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Technical and functional specification	Technical and functional specification for the development of the information system for service providers.
3	Public Procurement Contract	Public Procurement Contract for the development of an information system for service providers, signed on 12 March 2024, between the Ministry of labour, pension system,

		family and social policy, and the company Axians Hrvatska d.o.o., JN-M-2023-18.
4	Package of documents - Certificates of completion	**phase 1** – Analysis of detailed technical and functional specifications; proposal and verification of changes; physical design of an information system, **phase 2** - Development of an information system according to technical and functional specifications, **phase 3** - Conducting the initial acceptance test according to the technical and functional specification- Delivery of source code and technical documentation, **phase 4** – Setting up the information system to a production environment, **phase 5** – Delivery of detailed user instructions, **phase 6** - Training for key users/system administrators.
5	Package of documents - User manuals	1. User manual for system administrators – Ministry, 2. User manual for system administrators – Managers, 3. User manual for institution employees, 4. Video user manual.
6	SocSkrb_Rekoss – bussines specification	Technical specifications for integration of the SocSkrb information system and Registry of social services users.
7	Link to the system	https://pruzus.socskrb.hr/ and access details.
8	On-the-spot check	The Commission services conducted an on-the-spot check on 21 May to verify the alignment of the certificates of works completion, the link to the upgraded social care application (SocSkrb information system), and the submitted screenshots for target 315.

3. Analysis:

The justification and substantiating evidence provided by the Croatia authorities cover all constitutive elements of the target.

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

In September 2023, IDE3 d.o.o. delivered the final version of the *Technical and Functional Specification for the Development of the Information System for Service Providers* (Evidence No.2). This document served as the basis for launching a public procurement procedure for the development of the information system. Following the procedure, on 12 March 2024, the Ministry of labour, pension system, family and social policy, signed a Public Procurement Contract with Axians Hrvatska d.o.o. for the development of the information system for service providers (Evidence No. 3). The contract foresees seven implementation phases. By 31 December 2024, the first three phases

had been completed. As a result, the information system for service providers was developed and presented to selected service providers, who were also granted access credentials (Evidence No. 4). The Ministry received the source code and technical documentation of the system. By the contractual deadline of 12 March 2025, the remaining phases were successfully implemented, including training for system administrators (Evidence No. 4-7).

Furthermore, the social care application has been updated for management and recording procedures related to recognising rights to social services in a single functional IT system involving all stakeholders in the process of recognising rights and providing services to the users (Evidence No. 8).

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 available evidence confirms the establishment of an IT connection between social service providers and the Croatian Institute for Social Work allowing for the monitoring and analysis of data on users and services in the social welfare system. The application provides information on available places and the prices of services (Evidence No. 5 and No. 8).

The developed software solution shall be integrated into the existing SocSkrb information system used by social welfare centres; this shall enable the IT connection of all social welfare centres with the social service providers financed by the state budget.

As part of this process, a software solution was developed and successfully integrated into the existing *SocSkrb* information system, which is used by the professional staff of the Croatian Institute for Social Work. This integration enabled the Croatian Institute for Social Work to establish a direct IT connection with social service providers funded from the state budget (Evidence No. 2 and No. 8). In addition, an upgrade of the *SocSkrb* system was implemented, linking it with the *Register of Social Service Users (hereinafter referred to as: "REKOSS")* application. This enhancement allows employees of the Croatian Institute for Social Work to send requests for the provision of social services to one or more selected service providers based on the user needs recorded in the REKOSS, as well as to see the available places and prices of the services in the IT system (Evidence No. 6 and 8).

The Commission services conducted an on-the-spot check (Evidence No. 8) on 21 May to verify the alignment of the certificates of works completion, the link to the upgraded social care application (SocSkrb information system), and the submitted screenshots for target 315. This check was completed successfully, confirming that the upgraded IT system is fully operational, functionally integrated, and enables monitoring and analysis of data on users and service providers in the social welfare system, as required by the Council Implementing Decision.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 373 Adoption of the Strategic Framework for the Development of the Capital Market in Croatia and the accompanying Action Plan

Related Measure: C1.1.1.R5 Diversifying capital markets and improving access to alternative financing

Qualitative Indicator: The Strategic Framework and the Action Plan to support the development of the national capital market adopted by the Croatian Government

Time: Q4 2024

1. Context:

The objective of this measure is to establish a strategic framework and actions that support the development of the capital market in Croatia.

Milestone 373 requires the adoption of the Strategic Framework for the Development of the Capital Market in Croatia (hereinafter referred to as "the Strategic Framework"). The Strategic Framework includes an analysis of key obstacles and opportunities relevant to the development of capital markets, addressing specific elements of well-functioning capital markets. In addition, the milestone requires adoption of the Action Plan accompanying the Strategic Framework.

Milestone 373 is the only milestone of this reform, related to the development of the capital market in Croatia.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	A copy of the Strategic Framework for the Development of the Capital Market in the Republic of Croatia 2025 – 2030	Copy of the adopted Strategic Framework, in English and in Croatian, and a link to its publication (HR): https://mfin.gov.hr/UserDocsImages/dokumenti/fin-sustav/FinPismenost/Strate%C5%A1ki%20okvir%20za%20razvoj%20tr%C5%BEi%C5%A1ta%20kapitala%20u%20RH.pdf
3	A copy of the Action Plan of the Strategic Framework for the Development of the Capital Market in the	Copy of the adopted Strategic Framework, in English and in Croatian, and a link to its publication (HR): https://mfin.gov.hr/UserDocsImages/dokumenti/fin-

	Republic of Croatia 2025 – 2026	sustav/FinPismenost/Akcijski%20plan%202025.%20i%202026-tekstualni%20dio.pdf https://mfin.gov.hr/UserDocsImages/dokumenti/fin-sustav/FinPismenost/Akcijski%20plan%202025.%20i%202026.-tabli%C4%8Dni%20dio.pdf
4	A copy of the Government Conclusion on the adoption of the Strategic Framework for the Development of the Capital Market in the Republic of Croatia 2025 - 2030 and the Action Plan of the Strategic Framework for the Development of the Capital Market in the Republic of Croatia 2025 – 2026, adopted on 26 March 2025 and published on the same date in the Official Gazette (No. 56/25).	The act on the government adoption of the Strategic Framework and the Action plan, and a link to its publication: https://narodne-novine.nn.hr/clanci/sluzbeni/2025_03_56_727.html
5	A copy of the Decision of the minister of finance on the establishment of the Working Group tasked with preparing a draft of the Strategic Framework for the Development of the Capital Market in the Republic of Croatia of 4 November 2022 with its amendments of 21 June and 23 November 2023.	An internal act establishing a Working group led by the Ministry of Finance for the drafting and monitoring of the Strategic Framework and relevant actions.
6	A copy of the Diagnostic Review of the national capital market	Preparatory study for the development of the Strategic Framework, in English and in Croatian
7	A copy of the Benchmarking and Recommendation report	Preparatory report for the development of the Strategic Framework, in English and in Croatian

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

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 government adopted the Strategic Framework for the Development of the Capital Market in the Republic of Croatia 2025 – 2030 (hereinafter referred to as the "Strategy", Evidence No. 2 - hereinafter referenced by chapter/appendix numbers) and the accompanying Action Plan of the Strategic Framework for the Development of the Capital Market in the Republic of Croatia 2025 – 2026 (hereinafter referred to as the "Action Plan", Evidence No. 3 - hereinafter referenced by activity number) on 26 March 2025. The Ministry of Finance (hereinafter referred to as "Ministry") prepared the draft package for adoption and is tasked with coordination and reporting on its implementation (Evidence No. 4).

The Ministry cooperated with relevant stakeholders in drawing up the Strategy. A Working Group consisting of representatives of the Ministry, the financial services authority (the Croatian Financial Services Supervisory Agency), the stock exchange (the Zagreb Stock Exchange), the central securities depository (the Central Depository and Clearing Company), the chamber of commerce (Croatian Chamber of Commerce), and a think tank (CFA Society Croatia) carried out the work (Chapter 2.3 and Evidence No. 5).

Furthermore, market stakeholders were consulted through questionnaires and focused interviews, including: listed companies, investment firms, insurance companies, pension funds, investment fund management companies, banks, as well as pre-IPO and delisted companies. Data was gathered in the framework of a diagnostic review and benchmarking of the local capital market against peers, both conducted in 2024 (Chapter 2.2, Evidence No. 6 and Evidence No. 7). The preparatory work also builds on the findings from earlier studies involving key stakeholders, such as the OECD capital review of Croatia conducted in 2021 (Chapter 2.1).

The Action Plan shall accompany the Strategic Framework and shall include timelines for the implementation of individual activities.

The Strategy analyses the main features of the national capital market and sets out priorities, as presented below. The Action Plan includes targeted individual activities, each with a specific timeline for implementation. Timelines in the Action Plan range from one or two years for activities with a near-term timeline, and up to six years, or the period of the Strategy, for those activities whose implementation is deemed feasible only in the medium-term (Activities 1.1 – 5.3, Chapter 5).

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 (…)

The Strategy assesses the state of the capital market, identifying key obstacles to further development, in particular:

- Low level of market liquidity: while market capitalization shows progress, the trading volume is significantly low (Chapter 3.1 and 3.4).
- Challenges in attracting issuers/borrowers to the capital market, as reflected in a low number of listings (Chapter 3.1).
- Participation of retail investors in the capital market, while improving, remains below potential. Citizens hold assets predominantly in deposits and pension or insurance funds (Chapter 3.4).
- Low level of product diversification: some product segments, such as government bonds, show increased activity, however further support is needed, and there is no diverse offer of financial instruments (Chapter 3.4).
- Lack of digitalisation on the capital market: absence of key digital infrastructure deters large institutional investors with substantial portfolios (Chapter 3.2).

- Shortcomings in the implementation of international standards and best practices in corporate governance, as well as perception of risks specific to smaller markets, erode investor confidence and limit access to funding through capital markets (Chapter 3.3).
- Insufficient support for companies to tap into alternative sources of financing, for example through initial public offerings or venture capital funds (Chapter 3.5).

(…) and opportunities for its diversification and development.

To address the identified challenges, the Strategy sets out five priorities, termed 'strategic directions', which present opportunities for diversification and further development of the capital market, complemented by individual actions in the Action plan:

1. Furthering integration of capital markets in the region and positioning Croatia as a regional leader.

Regional integration of capital markets is highlighted as a key strategic opportunity. Cooperation with participating exchanges in the region is expected to increase the size and depth of the market and upgrade the market classification, a key objective under this priority. Harmonization of rules and practices and joint strategic initiatives, such as market benchmarks, are further areas of collaboration. The objective is also to position Croatia as a regional financial centre (Chapter 1 and 3.2).

The Action plan includes activities to unify market infrastructure on the regional level. Discussing options for regional market expansion and integration (Activity 1.1), strengthening and establishing links with central securities depositories in the region (Activity 1.2) and positioning Croatia as a regional hub for listing and trading Exchange-traded Funds (hereinafter referred to as: ETFs) (Activity 1.3) are planned.

2. Digitalisation of the capital market

An interoperable platform to connect regional exchanges is planned, to facilitate market access and strengthen competitiveness of the capital market. This includes setting up an information portal for investors and digitalising services such as registration and onboarding of investors, listing procedures, shareholders' participation, and prospectus approval (Chapter 1 and 3.2).

Individual activities covering the above elements are set out in the Action Plan (Activity 2.1).

3. Improvement of corporate governance across companies

The objective under this priority is to strengthen the capacity of companies to raise funding through the capital market and to attract cross-border investors to issuances of securities of domestic companies (Chapter 1 and 3.3).

Planned activities include strengthening the capacity of corporate treasuries in private and state-owned enterprises to access debt and equity markets. The latter are in focus in the near term (Activity 3.1). Also planned are activities supporting initial public offerings (hereinafter referred to as: IPOs) through establishment of a dedicated fund and mobilising private investments through alternative investment funds, by leveraging best practices and working with the European Investment Fund (Activity 3.2).

4. Enhancement of capital market liquidity

To increase market liquidity and unleash benefits for the citizens, under this priority the focus is on strengthening the participation of small investors in the capital market, and other measures supporting the secondary market (Chapter 1 and 3.4).

The Action Plan includes the introduction of primary dealers to facilitate government bond trading (Activity 4.3). Further activities consist of exploring feasibility of introducing investment accounts (Activity 4.1), improving ongoing financial literacy programs (Activity 4.2), enhancing investor campaigns (Activity 4.4) and the establishment of a securities lending and borrowing (hereinafter referred to as: SLB) platform (Activity 4.6).

5. Development of new investment instruments and financing methods

The objective under this priority is to achieve greater product diversification on the capital market, provide support to companies to launch initial public offerings and use alternative sources of financing, and promote more favourable financing conditions on the local and regional level (Chapter 1 and 3.5).

Activities focus on improving the financing conditions for local and regional government self-units (Activity 5.1), supporting transition of companies to the capital market (Activity 5.2) and developing the offer of financial instruments, including green securities, ETFs and digital finance instruments (Activity 5.3).

In sum, identified opportunities for diversification and development of capital markets include regional integration and digitalisation of the capital market, strengthening the capacity of companies to seek financing through the capital market, removing barriers to participation of small investors in the capital market, and developing the offer of financial instruments on the capital market.

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:

The Strategy (Evidence No. 2) recognizes the role of institutional investors in the capital market, including pension insurance companies (related to mandatory pensions), pension funds and insurance companies, in enhancing market liquidity (Chapter 2 and 3.4). Creating a more favourable investment environment for large institutional investors is a key objective of regional market integration. A unified access point for trading, clearing/settlement, and market information is expected to reduce costs and operational complexity for large institutional investors (Chapter 3.1).

ii. Expanding the possibilities and simplifying the procedures for listing, taking into account the state-owned enterprises, SMEs and mid-caps:

To meet the size and liquidity criteria for EM (emerging market) classification, a central objective of regional market integration, the Strategy prioritises attracting new listings, such as SMEs and mid-caps from infrastructure, energy, retail, and manufacturing (Appendix 6.1). Simplification of listing procedures is planned as part of the platform supporting the functioning of the integrated regional capital market ('Capital Connect') (Activity 2.1). Possibilities for listing are expected to expand as a result of better corporate governance of state-owned enterprises and SMEs (Chapter 3.3 and Activities 3.1 and 3.2).

iii. Increasing liquidity, diversification and turnover in the capital market, including fostering market making activity:

The planned integration of capital markets in the region aims to scale up and deepen the activity on the capital market, leading to a higher turnover and opening the possibility for upgrading the market classification which is currently hampered by insufficient trading activity (Appendix 6.1). The priority

area on diversification enhances this objective as outlined above. Having in mind challenges of low liquidity, the Strategy acknowledges the need to attract market-makers, with the aim of improving efficiency and increasing investor confidence. Enhancing market liquidity is expected to reinforce market-making obligations and attract providers of these services (Chapter 3.4). Improving economic and sectoral analyses of listed securities and enhancing investor campaigns is also planned to strengthen the confidence of key market actors (Activity 4.4).

iv. Fostering a deeper market for financial instruments, such as corporate bonds and government bonds, as well as commodity derivatives and securitisations:

The Strategy places a priority on deepening the market for financial instruments by expanding the types of financial instruments offered. Securitisations (collateralized debt), commodity derivatives and green instruments are addressed through activities aimed at removing barriers to diversification, including targeted legislative amendments and applying best practices from other markets (Activity 5.3). A key priority is encouraging market participants to create additional ETFs based on domestic securities (Chapter 3.5 and Activity 1.3). The Strategy and individual actions in the Action Plan support further development of the government bond market by promoting primary dealer services (Chapter 3.4 and Activity 4.3) and the corporate bond market by strengthening capacities of potential issuers (Chapter 3.3 and Activity 3.1).

v. Developing existing financial market infrastructures, including options to improve the business model of the central counterparty:

The Strategy and the activities in the Action plan address the development of the stock exchange, as outlined above, through regional integration, digitalisation, as well as measures aimed at supporting issuers and enhancing participation of small investors in the market. Activities are planned for the central counterparty (Central Depository and Clearing Company) to strengthen existing and establish new links with depositories in the region, particularly in the areas of transaction settlement and clearing, as well as custodial services. Introducing the necessary regulatory requirements and developing technological systems is planned, improving the business model of the central counterparty (Activity 1.2).

vi. Adapting the regulatory framework to better respond to the objective of developing the capital market:

A horizontal initiative focuses on the quality of the regulatory framework. The objective is to ensure continued alignment with the EU rulebook and standards, and also ensure the regulatory framework serves competitiveness objectives (Chapter 3). The Action Plan includes optimization of the legislative framework to reduce regulatory barriers and improve capital market efficiency (Action plan, Horizontal initiative).

vii. Strengthening the investors' financial literacy:

The Action plan includes activities to continue improving the financial literacy of investors by raising awareness of the importance of investing and saving (Activity 4.2), to complement the objectives of developing a diversified financial instrument offer (Strategy, Chapter 4).

viii. Strengthening the framework for sustainable finance:

The Strategy focuses on developing the offer of financial instruments with economic, social and governance objectives (hereinafter referred to as: ESG), reflecting the growing demand for sustainable finance opportunities from investors and the EU framework for sustainable finance. The

Strategy envisages targeted support to companies to strengthen sustainability reporting and build capacity for issuing sustainable/ESG instruments (Chapter 3.5).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 383 National Authority for Monitoring Water Losses Established

Related Measure: C1.3.R3 Further implementation of the water management programme

Qualitative Indicator: Establishment of the National Authority for Monitoring Water Losses

Time: Q4 2024

1. Context:

The objective of this reform is to further address the key challenges of the water sector in Croatia. As a scale-up of the initial reform C1.3 R1 Implementation of the water management programme, reform C1.3 R3 includes 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.

Milestone #383 requires the establishment of the National Authority for Monitoring Water Losses, with 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.

Milestone #383 is the third milestone of the reform, and it is accompanied by target #386 (Capacity building of the Council for Water Services) in this payment request. It follows the completion of milestone #382 (Adoption of National Water Loss Reduction Action Plan) and milestone #385 (Entry into force of the Regulation on the Council for Water Services). It will be followed by target #384 (Adoption of water loss reduction action plans of water operators). The reform has a final expected date for implementation in Q4/2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Decision prescribing the establishment of the National Authority for Monitoring Water Losses, CLASS: 325-11/24-04/1, REF. NO.: 517-05-3-25-6 of 13 January 2025, entered into force on the same day, in accordance with point VII of the Decision.	Decision on the establishment of the National Authority for Monitoring Water Losses and appointment of staff of the National Authority for Monitoring Water Losses.
3	Report by the Ministry of Environment and Green Transition and Croatian Waters KLASA: 325-11124-0411 REF. NO.: 517-05-3-25-8 of 14 May	Report by the Ministry of Environment and Green Transition and Croatian Waters demonstrating and certifying that the National Authority for Monitoring Water Losses has been established and is operational.

	2025, on the work of the National Authority for Monitoring Water Losses.	
4	Personnel records demonstrating the availability of human resources	Personnel records demonstrating the availability of human resources: 8 members appointed into the National Authority for Water Losses under point II. of the Decision from Evidence No. 2. Also, three signed work contracts for professional support to the National Authority for Monitoring Water Losses, with decisions on duties.
5	Rulebook on Internal Organisation of Croatian Waters CL.ASS: 003-02/23-02/0000007, REF.NO: 374-1-10-23-3 of 4 October 2023, entered into force on the eighth day after publication, in accordance with Article 76.	Rulebook on Internal Organisation of Croatian Waters, including the description of the scope of work of staff providing professional support to the National Authority for Monitoring Water Losses.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

The National Authority for Monitoring Water Losses shall be established.

The National Water Loss Monitoring Body was established by the Decision on the Appointment of the National Water Loss Monitoring Body (Evidence No. 2, point I), including relevant staff appointments (Evidence No. 2, point II, Evidence No. 4 in line with Evidence No. 5, and Evidence No. 3).

[...] **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:**

The National Water Loss Monitoring Body has the authority to supervise national and operators' water loss reduction plans (Evidence No. 2, point III. of the Decision), among wider responsibilities as defined by the Decision: (i) coordinating the development of multi-year investment programs for reducing water losses at the national level; (ii) verifying the action plans of individual public water service providers; (iii) verifying the prioritisation of specific activities; (iv) continuous monitoring of the implementation of all activities aimed at reducing water losses for all public water service providers; (v) approving the implementation of all activities within a defined scope, timeframe, and financial framework; (vi) evaluating the implemented activities from a technical and economic perspective; (viii) defining templates for conducting analysis and reporting measures from the National Action Plan for Reducing Water Losses in Croatia; (viii) assisting in the implementation and overseeing the execution of the analysis and reporting measures; (ix) assisting and coordinating the establishment of benchmarking systems and key performance indicators for public water service providers; (x) assisting and coordinating the establishment of a national database and the development of a national methodology/guidelines for reporting to the European Commission (in line with obligations under Directive (EU) 2020/2184 on the quality of water intended for human

consumption (Recast)); and (xi) assisting and coordinating the design and implementation of educational programs for all stakeholders at all levels.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 386 Capacity building of the Council for Water Services

Related Measure: C1.3 R3: Further implementation of the water management programme

Quantitative Indicator: Number

Baseline: 0

Target: 7

Time: Q4 2024

1. Context:

The objective of this reform is to further address the key challenges of the water sector in Croatia. As a scale-up of the initial reform C1.3 R1 Implementation of the water management programme, reform C1.3 R3 includes 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.

Target #386 requires for the Council for Water Services to recruit at least seven full-time staff, not including appointed councillors.

Target #386 is the fourth target of the reform, and it is accompanied by milestone #383 (National Authority for Monitoring Water Losses Established) in this payment request. It follows the completion of milestone #382 (Adoption of National Water Loss Reduction Action Plan) and milestone #385 (Entry into force of the Regulation on the Council for Water Services). It will be followed by target #384 (Adoption of water loss reduction action plans of water operators). The reform has a final expected date for implementation in December 2025.

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Decision on Appointment of the Council for Water Services Members (Official Gazette 104/25), CLASS: 021-04/25-07/57 of 15 July 2025.	Decision on Appointment of the Council for Water Services Councillors.
3	Regulation on Internal Order, CLASS: 026-01/25-01/3, URNUMBER: 346-2-25-1 of 18 July 2025, entered into force on the same day, in accordance	Regulation on Internal Order, containing job classification of Water Services Council's staff.

	with Article 23.	
4	Work Contracts	Seven agreements on internal transfer of the seven civil servants from the Ministry of Environment and Green Transition to the Council for Water Services
5	Appointing decisions	Seven decisions appointing the seven civil servants to Water Services Council positions.

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the target.

The Council for Water Services shall recruit at least seven full-time staff, not including appointed councillors.

The members (councillors) of the Council for Water Services were appointed by the Croatian Parliament (Evidence No. 2) on 15 July 2025.

In addition to these appointed councillors, seven civil servants were recruited in the Council for Water Services, by internal transfer from the Ministry of Environment and Green Transition. Their assignments are effective as of 23 July 2025, as confirmed by the seven work agreements (Evidence No. 4) and the 7 appointing decisions (Evidence No. 5, point 6). The provided evidence also confirms that the staff have filled 7 positions for which they meet the requirements in accordance with the the job descriptions (Evidence No. 5) in the Regulation on Internal Order (Evidence No. 3) and are working on a full-time basis (Evidence No. 4, Article 1, in line with Evidence No. 5, point 3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 402 Signed agreements on pilot projects implementation

Related Measure: 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

Time: Q3 2024

1. Context:

The objective of the reform is to examine the needs, possibilities, and mechanisms for the circular use of construction waste from buildings with the status of a cultural good through the implementation of pilot projects in two selected local self-government units.
Milestone 402 refers to the agreements on pilot project implementation signed with two selected local self-government units.
Milestone 402 is the first step in the implementation of the reform. It will be followed by target 403 related to implementation of pilot projects in two selected local self-government units and milestone 404 related to the adoption and publication of the national guidelines on circular use of the construction waste form the buildings with a status of a cultural good (both due in Q1 2026).

2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Cover Note	Summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled.
2	Decision on the direct award for the implementation of the reform C6.1. R7	/
3	Elaborate with expert analysis	Analysis of the selection of pilot project areas
4	- Copy of the signed Agreement_pilot project Ogulin - Copy of the signed Agreement_pilot project Petrinja	/
5	- Extract of the relevant parts of the Agreement_DNSH_Petrinja - Extract of the relevant parts of the Agreement_DNSH_Ogulin	DNSH provision in the contracts

6	- Extract of the relevant parts of the Agreement_Petrinja - Extract of the relevant parts of the Agreement_Ogulin	Alignment with the description of the target and of the description of the reform in the CID.
7	- Basic information about the public procurement procedure - Copy of the signed Contract - professional technical assistance - Copy of the signed Annex to the Contract - professional technical assistance	/

3. Analysis:

The justification and substantiating evidence provided by the Croatian authorities cover all constitutive elements of the milestone.

Agreements for the implementation of pilot projects shall be signed with the local self-government units.

The milestone was achieved by signing agreements between the Ministry of Physical Planning, Construction and State Assets and the two selected local self-government units (the City of Ogulin and the City of Petrinja)**,** on the implementation of pilot projects for the circular use of construction waste from buildings with cultural good status (evidence no. 4).

The two locations were chosen on the basis of the expert analysis ordered by the Ministry of Physical Planning, Construction and State Assets on the locations that could be used as possible pilot areas for the implementation of this reform in the five counties that were affected by the earthquake in 2020: Sisak-Moslavina County, City of Zagreb, Zagreb County, Karlovac County and Krapina-Zagorje County (evidence no. 3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.