



## COUNTRY PROFILE

FEBRUARY 2008



*USAID supported discussions throughout the country to inform the public and political parties on the benefits and cost of direct election of mayors. In 2006, the Government accepted the draft law, which is now in Parliament for adoption.*

### CROATIA SNAPSHOT

Date of Independence:  
October 8, 1991  
Capital: Zagreb  
Population: 4.5 million  
GNI per capita: \$12,400  
(2005 est.)

For more information,  
see [www.usaid.gov](http://www.usaid.gov)  
Keyword: Croatia

### OVERVIEW

Croatia's successful transition to a stable, fully democratic country with a strong economy is integral to achieving the U.S. core policy goal of stability in Southeast Europe and serves other important American interests, such as combating terrorism and trafficking in persons.



**Zagreb**

Croatia; USAID's assistance program in Croatia will cease in 2008.

Since the inception of its program in 1992, USAID has delivered more than \$320 million in assistance to Croatia through a comprehensive program that has facilitated economic and fiscal reform, strengthened democratic institutions, created agribusiness programs and established a wide range of professional training. The U.S. has supported Croatia's entry into the EU and NATO through USAID programming. FY 2006 was the final year of USAID's program budget for

### PROGRAMS

#### BOLSTERING SUSTAINABLE ECONOMIC GROWTH

USAID's Small & Medium Enterprises Project (ESP) assisted businesses, improved supply chains, and established clusters to increase revenues, exports, and investment levels. By assisting 4,000 enterprises, USAID has helped create 20,000 new jobs for Croatia's citizens. One of every four new jobs is located in rural or disadvantaged areas.

Another program, Raising Incomes in Economically Distressed Areas, provides technical assistance to increase sustainable agriculture employment and incomes in disadvantaged areas. The program has worked directly with farmers and farm associations to improve operations, product quality, and processing capacity that created over 2,000 valuable new jobs.

#### RESTRUCTURING THE ENERGY SECTOR

USAID has also supported the establishment of a regulatory body that is developing a competitive power market in Croatia. The program also assisted the national power utility (HEP) to prepare for Croatia's entry into the regional power market and to restructure and



## COUNTRY PROFILE CONTINUED

unbundle its core activities. This latter activity addressed the Government of Croatia's goal of assuming a leadership role in the creation of a competitive and regionally linked power market.

### **STRENGTHENING LOCAL GOVERNMENT, CIVIL SOCIETY**

USAID has worked to increase civil society's ability to advocate for and contribute to Croatia's democratic, economic and community development and has supported nongovernmental organizations' (NGOs) efforts to solve local and national problems. Through a variety of small projects, USAID has also worked to increase the financial and organizational sustainability of the NGO sector, and improved the enabling environment for NGOs.

USAID's Local Government Reform Project (LGRP) addressed the needs of cities, towns and municipalities as they assumed greater responsibilities in management of their budgets, culture, health and education. The program provided local governments with modern financial and public administration skills. It also introduced public management models that enabled local officials to address the increased demands of decentralization and helped them provide more transparent, responsive, and accountable services.

The USAID-sponsored Participant Training Program helped build new skills and offered Croatians exposure to different ways the U.S. and other countries address development challenges. The program drew upon professionals with diverse expertise, including government officials, parliamentarians, judges, state attorneys, mayors, NGO representatives, media, local government officials, bankers, business managers, tourism representatives, leaders, and trade unionists.

### **SUPPORTING THE TRANSITION TO SUSTAINABLE PARTNER**

USAID's Legacy Program provided additional technical assistance to seven Croatian organizations to strengthen their organizational management and sustainability. These organizations offer the possibility for furthering democratic and economic reforms in a post-U.S. assistance Croatia.

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