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Factsheet for case **HR-2020-15/517**

Decision on reallocation of funds planned in the State Budget of the Republic of Croatia for 2020

Factsheet generated on 24 April 2020, 18:46

Country	Croatia, applies nationwide
Time period	Temporary, 09 April 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Other (reallocation of funds planned in the State Budget)
Case created	12 April 2020

Background Information

On 17 March 2020, the Government of the Republic of Croatia adopted a Conclusion outlining 63 economic measures aimed at stimulating job retention and addressing illiquidity issues for those whose business activities are reduced by the coronavirus epidemic. The first group of measures consists of measures that are horizontal in nature and aimed at preserving the stability of the economy through the provision of stand-by arrangements and new liquidity. The second set of measures relates to sector measures, both vertically and horizontally oriented, with the aim of encouraging everyone to undertake activities aimed at preserving jobs. As the coronavirus epidemic continues to strongly affect economic activity, the government adopted a second package of measures aimed at alleviating the problem of illiquidity for those entrepreneurs whose business activity was reduced due to the epidemic, while preserving jobs and employment.

Content of measure

With this Decision, the Government of the Republic of Croatia reallocates funds within the State Budget of the Republic of Croatia for 2020 (OG 171/19) in order to remedy the consequences of the COVID-19 coronavirus epidemic. The funds are reallocated in the amount HRK 2,101,570,660 (€ 280,209,421.3). Almost 90 percent of the reallocated funds, or HRK 1.87 billion, is intended to implement a job preservation measure for employers who have distorted economic activity, due to the special circumstance caused by the coronavirus epidemic. For the implementation of the measures by the Croatian Bank for Reconstruction and

Development (Hrvatska banka za obnovu i razvoj - HBOR) related to the approval of new liquidity loans to economic entities, HRK 80 million was provided.

Use of measure

Next to the previously mentioned purposes, reallocated funds will be used to finance various other needs. HRK 53.2 million have been planned for the procurement of equipment for microbiological diagnostics of the corona virus, protective equipment and disinfectants and for on-call duty within the Croatian Institute for Public Health's Infectious Epidemiology Service. HRK 40 million is reserved for the implementation of the measure for the preservation of employment in legal entities in the sports system. For grants to independent artists, self-employed and natural and legal persons in the cultural and creative industries, as well as to provide funds for approved cultural projects HRK 34 million is planned. Aid of HRK 25 million was allocated for support measures for programs for financing variable (business) capital and improving the liquidity of vulnerable tourism entrepreneurs, and HRK 20 million was allocated to assist the agricultural sector due to traffic restrictions and increased handling costs.

Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies	National funds

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

Due to the nature of the measure, social partners were not involved.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 09 April 2020: Odluka o preraspodjeli sredstava planiranih u Državnom proračunu Republike Hrvatske za 2020. godinu (narodne-novine.nn.hr)