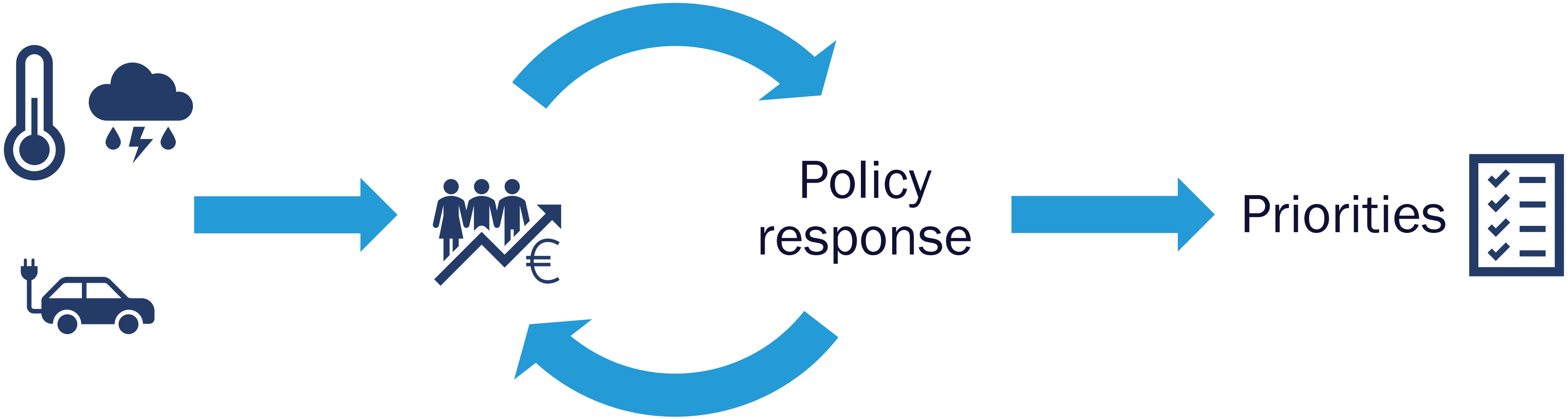
World Bank Group

COUNTRY CLIMATE AND DEVELOPMENT REPORT

CROATIA

October 2025

How we prepared the Croatia CCDR



The CCDR takes into account…

Croatia's goals | EU policy context | Least-cost approach

Three takeaways

Croatia’s people and economy stand to benefit from climate adaptation

Croatia does better by choosing an ambitious decarbonization path than a slower one

The required investments are within Croatia’s financial reach

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Where does Croatia stand on climate and development?

Where does Croatia stand with respect to its goals?

Development Goals

- Income convergence
- Poverty reduction
- Demographic revitalization
- Human capital development
- Efficient public administration

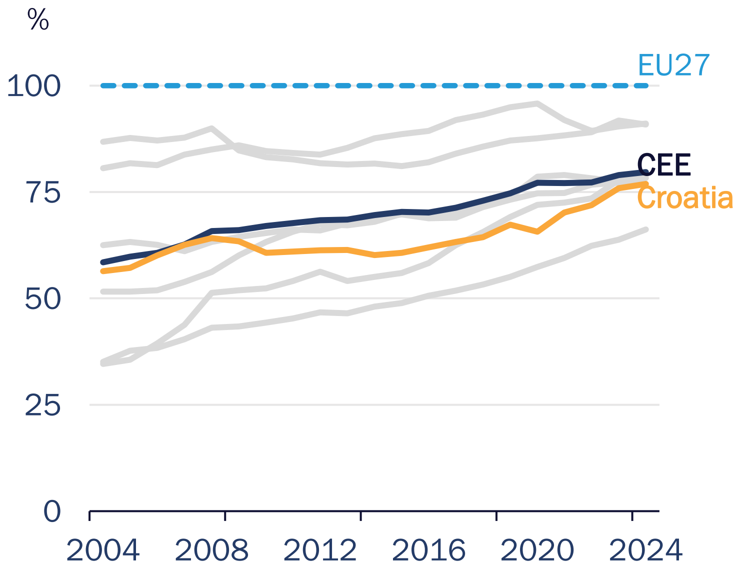
Decarbonization Goals

- Various 2030 climate goals
- Net zero by 2050

Adaptation Goals

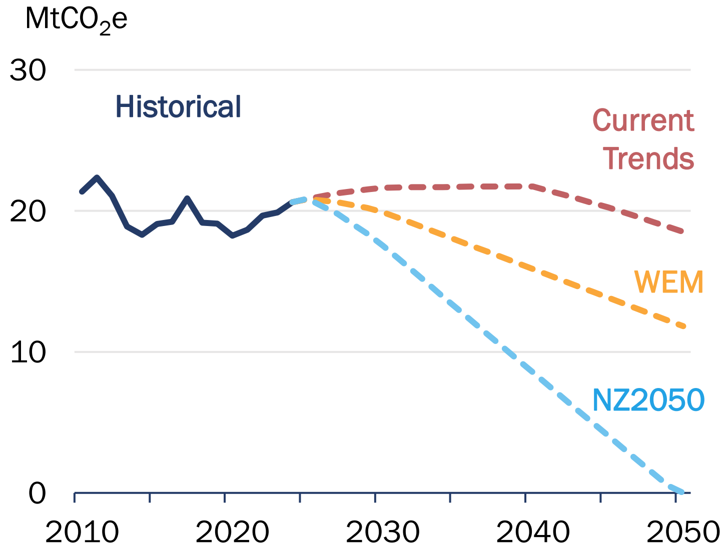
- Croatia resilient to climate change

Income relative to comparators



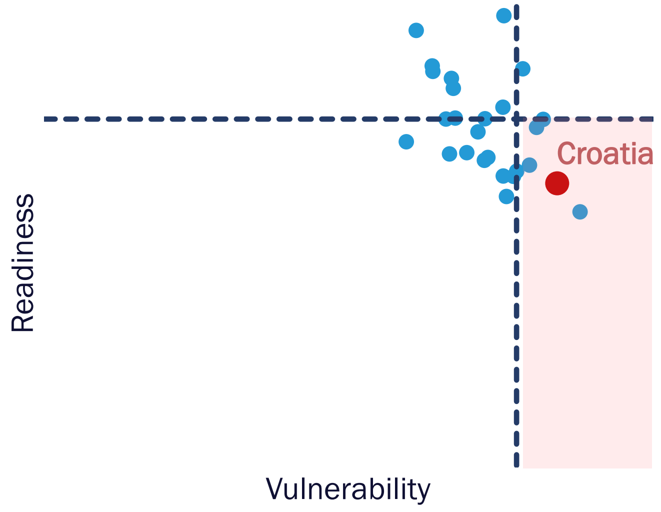
Source: World Bank

Net GHG emissions



Source: World Bank

Readiness and vulnerability, compared to EU-27



Source: Based on ND-GAIN

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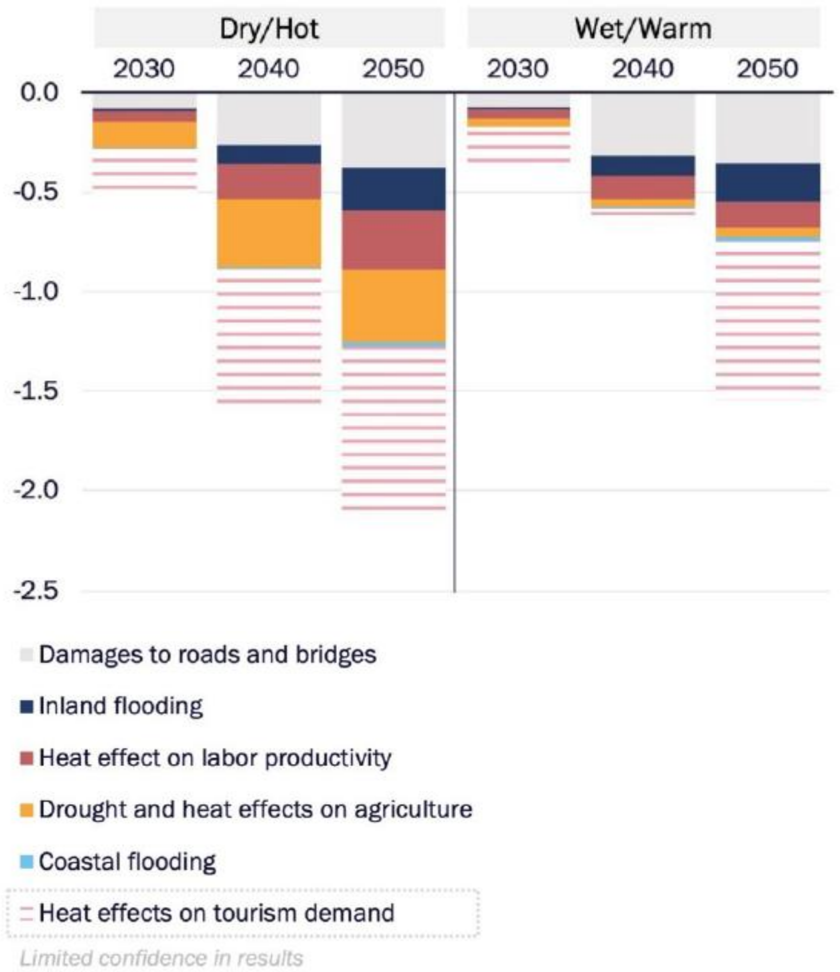
Why Does Adaptation Matter, and What Needs to Be Done?

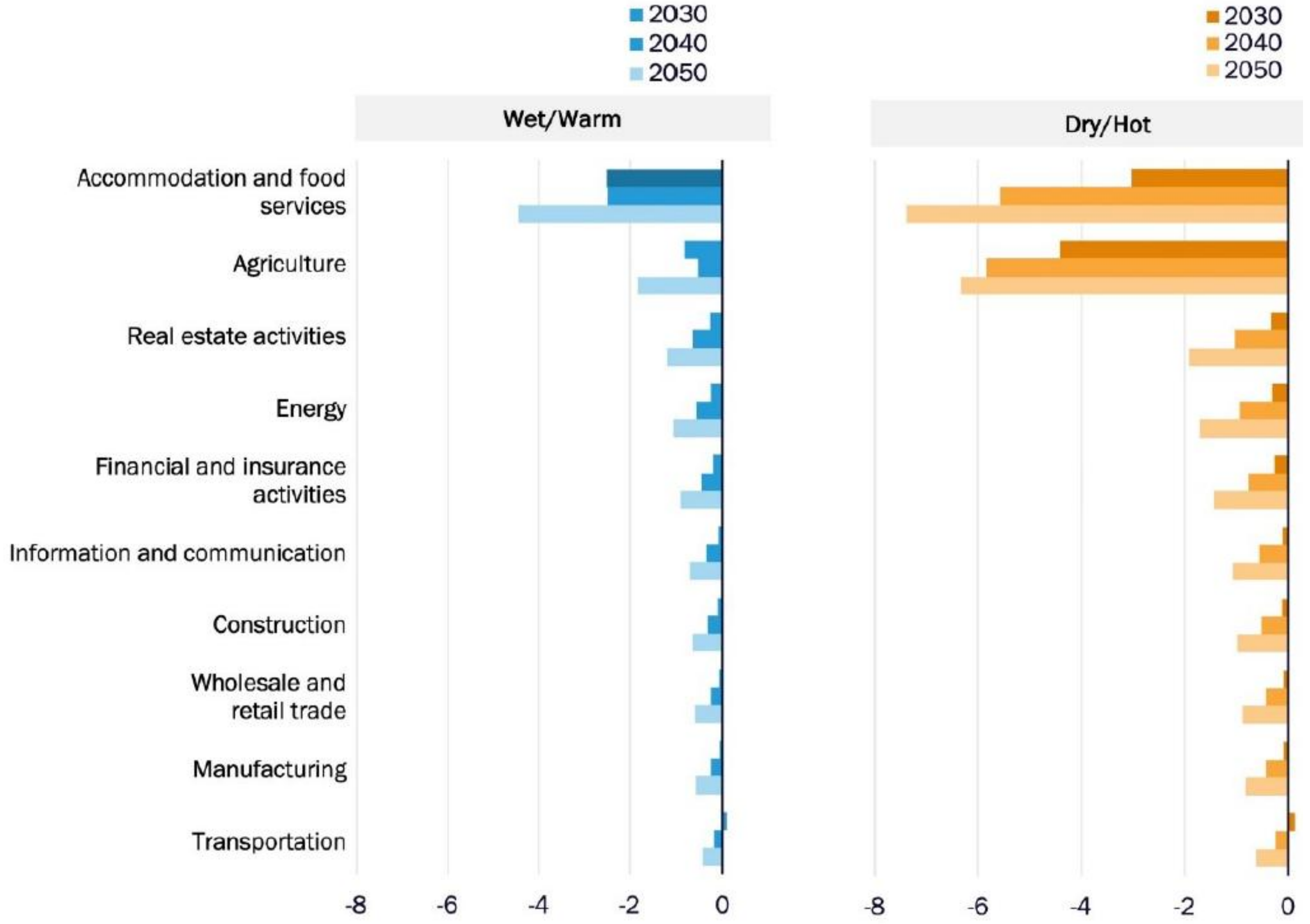
Climate change is already affecting Croatia, and the impacts are expected to intensify

GDP losses (%) due to modeled climate impacts



Source: World Bank

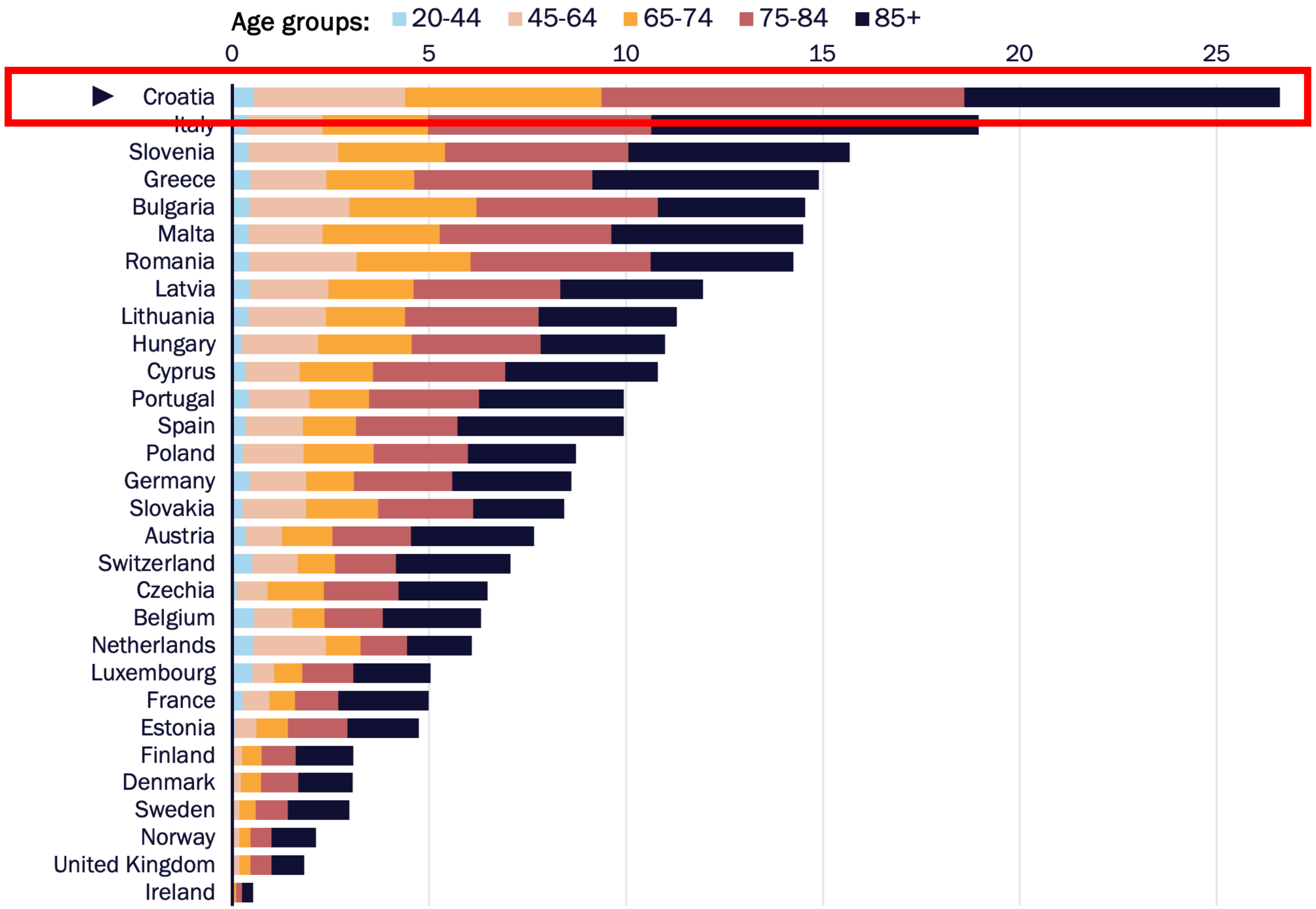
Change (%) in gross value added



Source: World Bank

Croatian cities face the highest heat death rates in Europe, and the country can already start saving lives

Annual urban heat death rates (per 100,000 people)



Source: World Bank, based on Masselot et al. (2023)

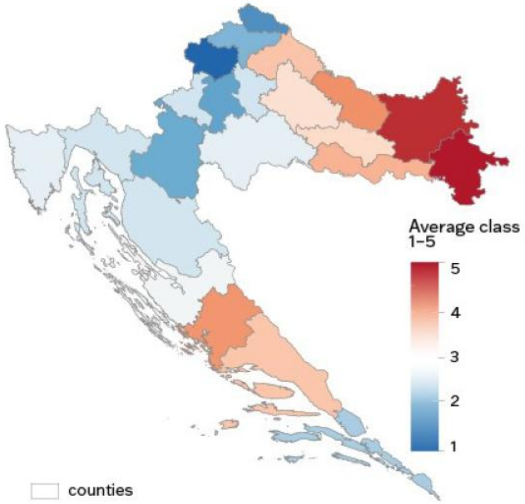
Adapted urban planning

Resilient buildings & strengthened codes

Heat-health action plans

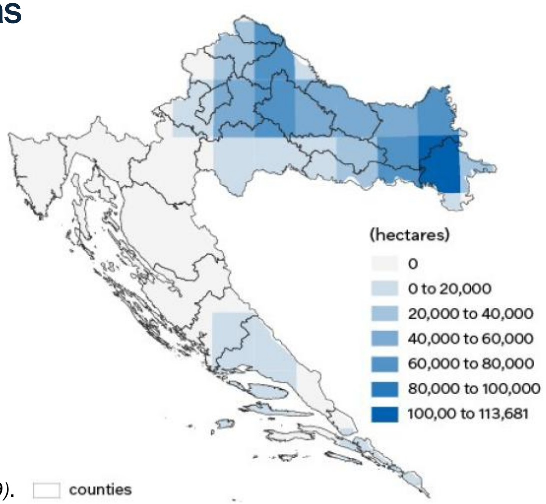
Drought and heat will reduce agricultural production, but climate-smart agriculture and irrigation are no-regret adaptation options

Drought risk



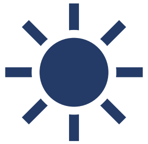
Source: Based on Hofste et al. (2019).

Rainfed crops areas



Source: *Based on IFPRI (2019).*

Rain-fed crop production in the 2040s…



… without adaptation:

-0.8% to -14.7%

… with climate-smart agriculture & irrigation:

+9.5% to -5.0%

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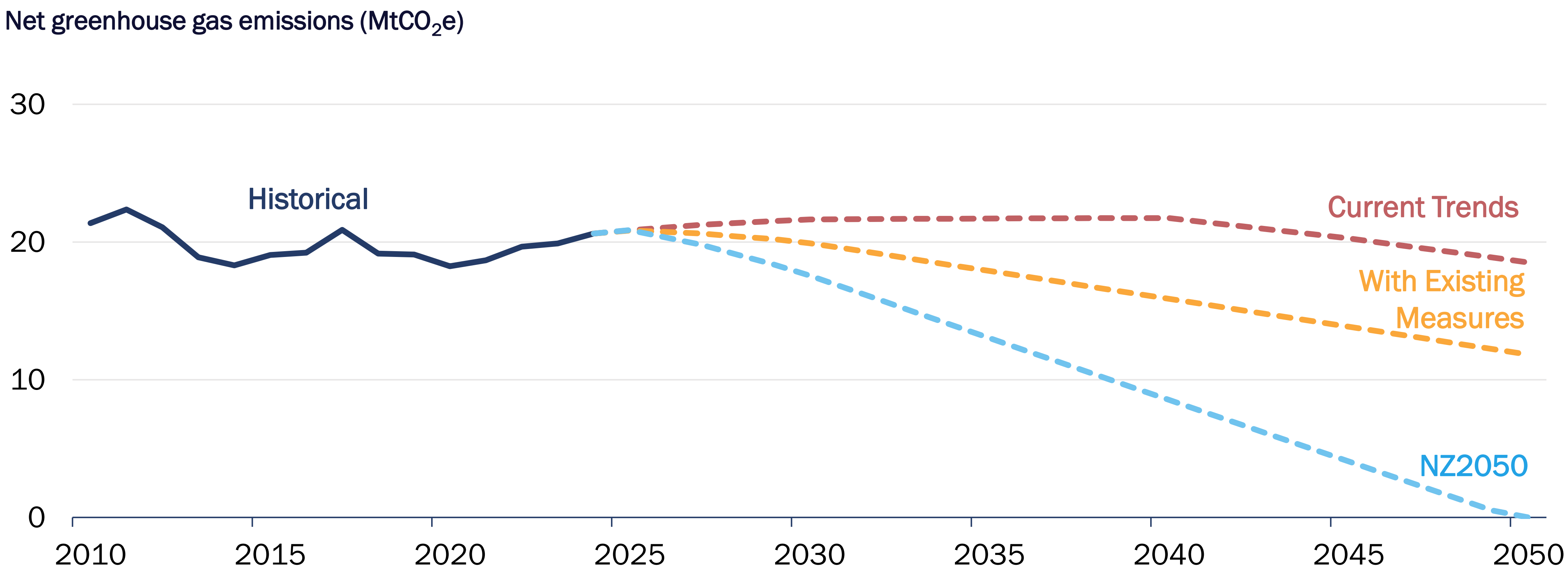
Why Does Decarbonization Matter, and What Needs to be Done?

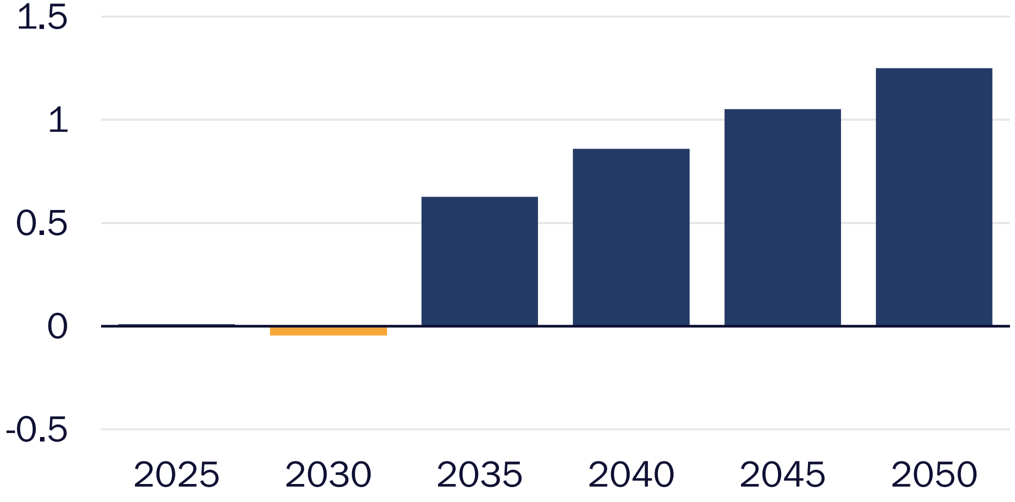
Reaching Croatia's decarbonization goals requires a step-change



Source: World Bank

Decarbonization makes economic sense, while delays could be costly

Change in GDP (%) between NZ2050 and Current Trends

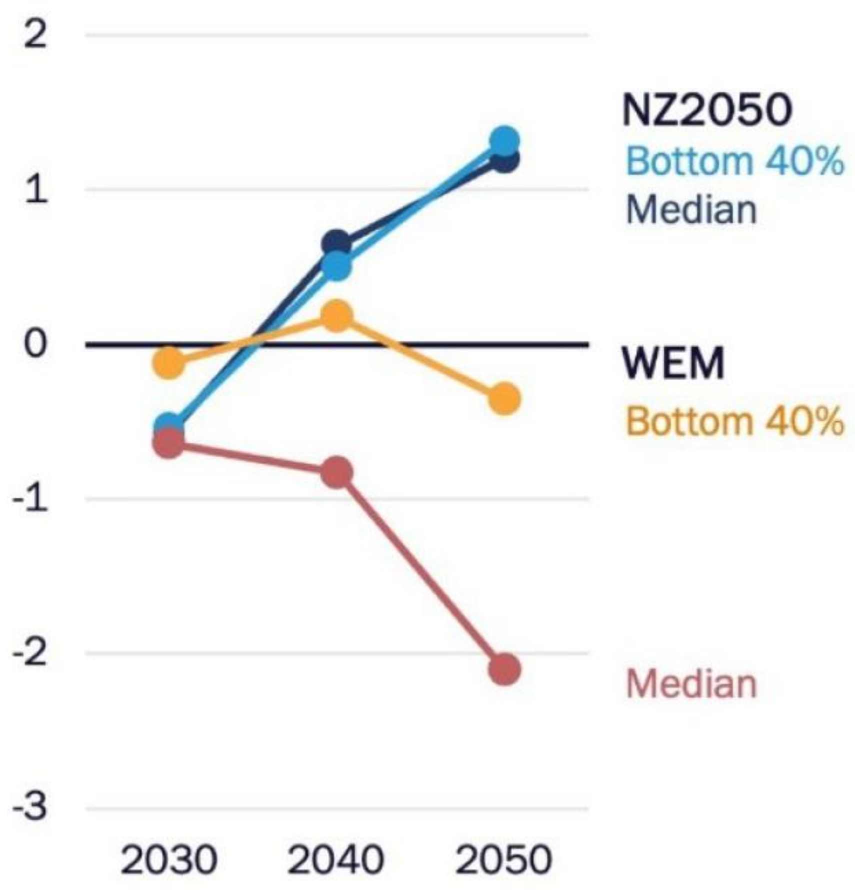


Source: World Bank

€22 bn

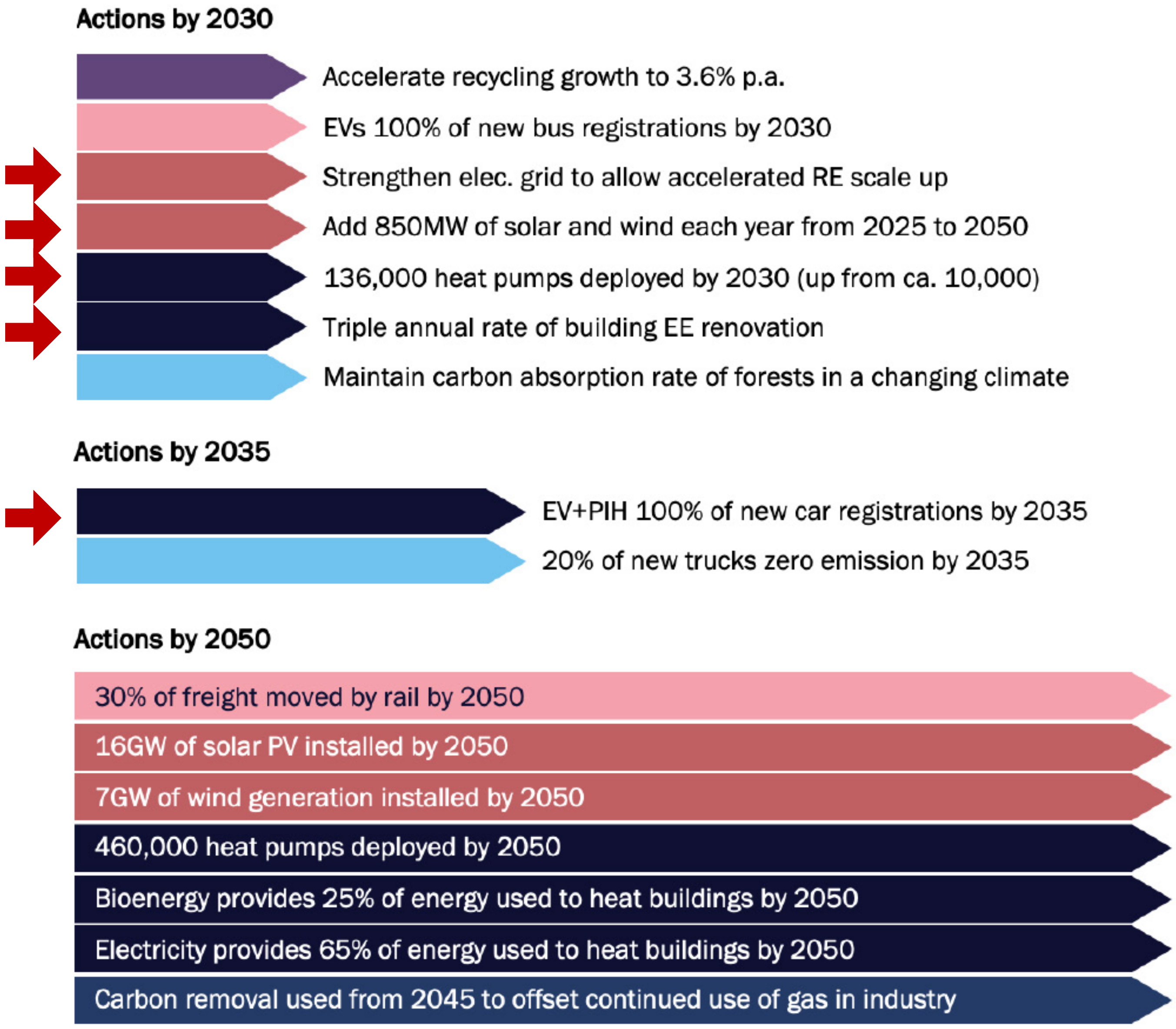
Potential cumulative emissions trading outflows by 2050 (discounted) of delaying net-zero to 2055

Change in incomes (%) by decarbonization scenario



Source: World Bank

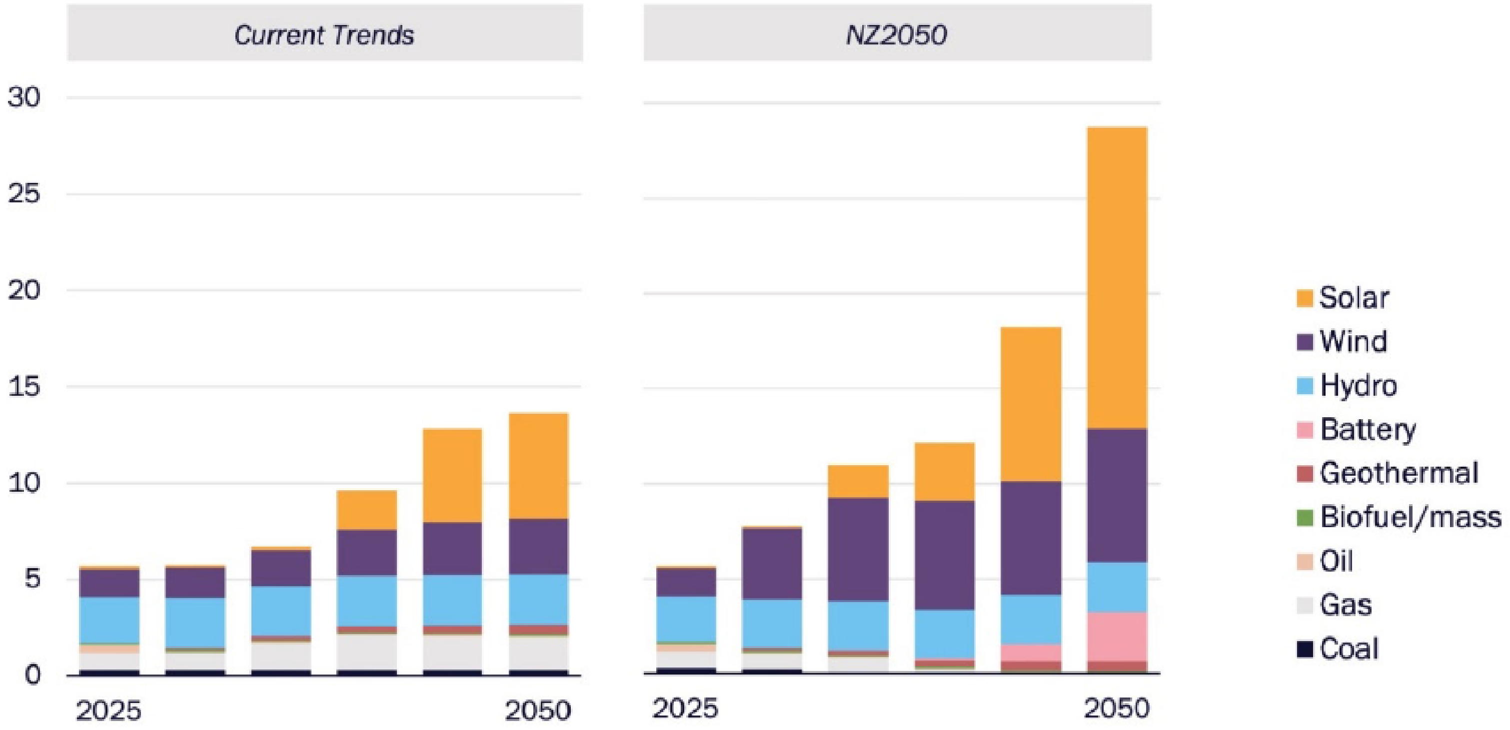
Decarbonization is an economy-wide challenge, but energy production and consumption need to be set on track now



Source: World Bank

Wind and solar generation capacity needs to increase 14x

Electricity generation capacity by type (GW)



Source: World Bank

0.13 → 16 GW

1.5 → 7 GW

Accelerate permitting and simplify regulations to decrease costs

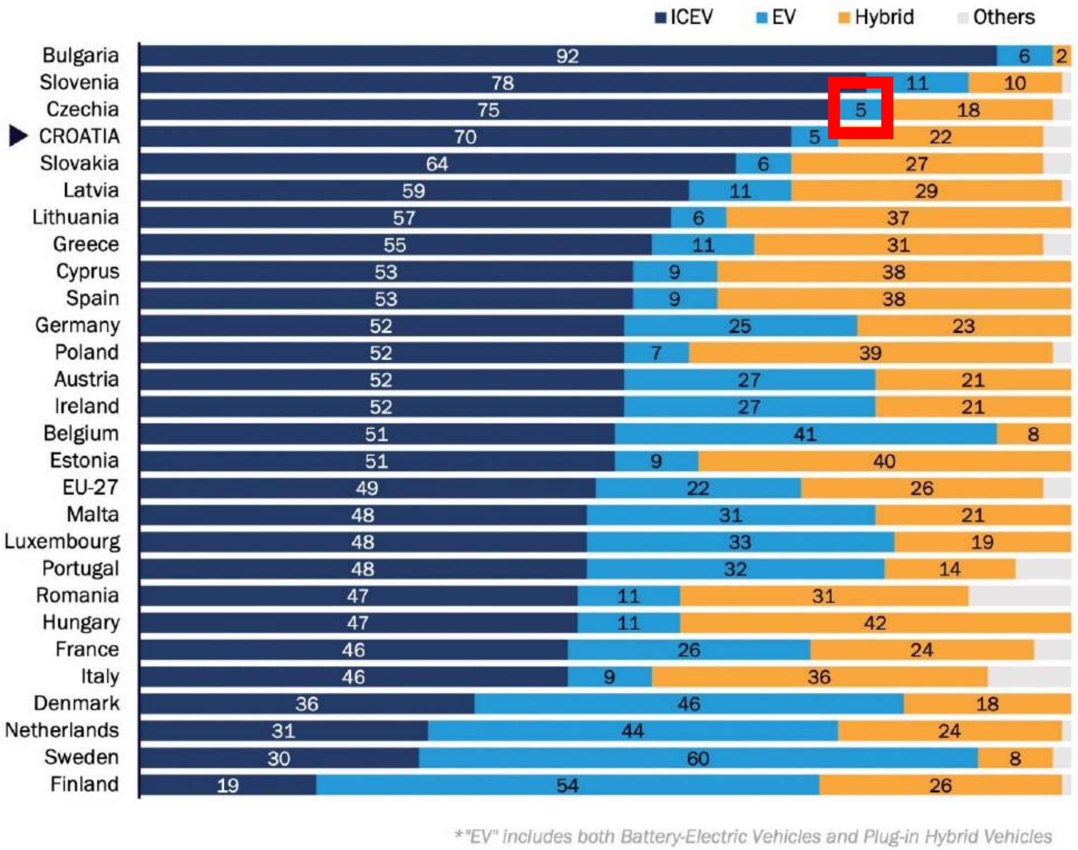
Set the grid connection fee

Grid readiness

Effective community engagement

Without accelerated vehicle electrification, Croatia will miss its decarbonization goals

New car registrations, percent distribution by powertrain, 2023



Source: Based on ACEA (2024).

Financing tools

Modernized vehicle tax

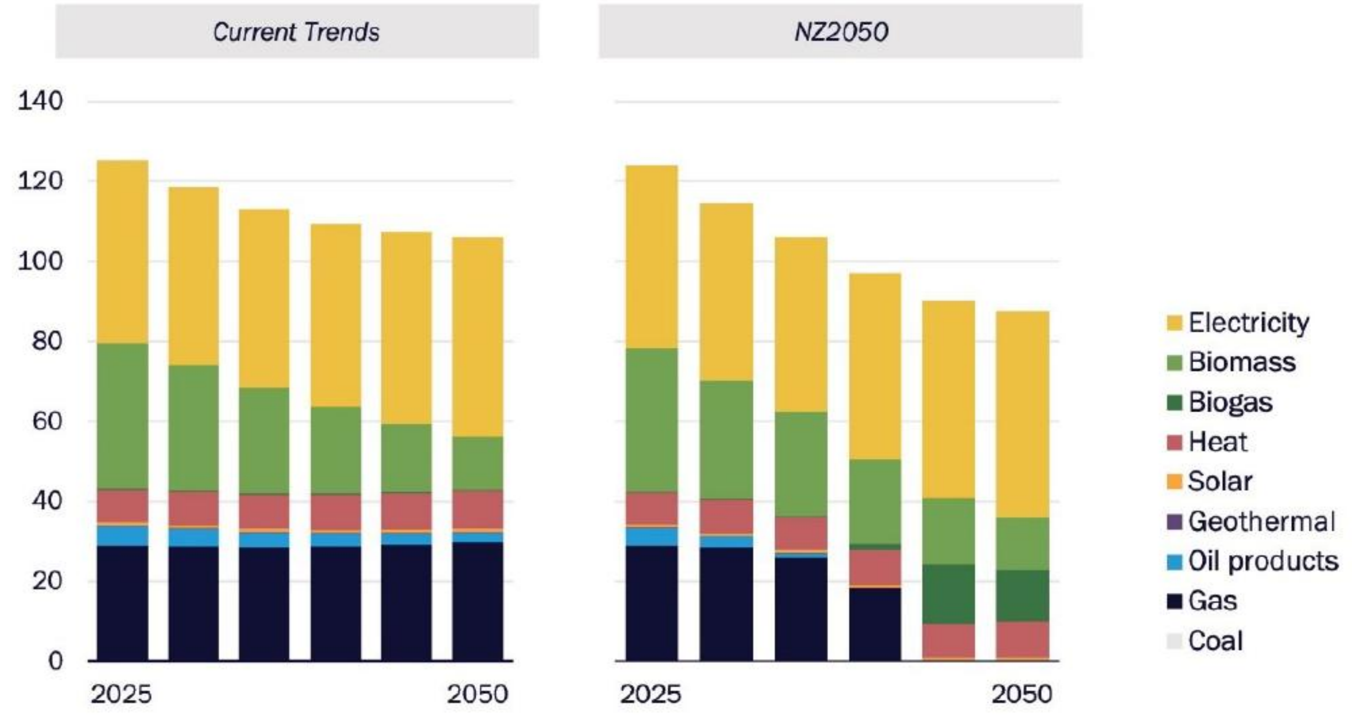
Effective public charging concession tenders

Demand management

Improved public transport

Building renovation rates need to increase >3x, and residential heat pump uptake >18x

Residential and commercial buildings' total final energy consumption by fuel (PJ)

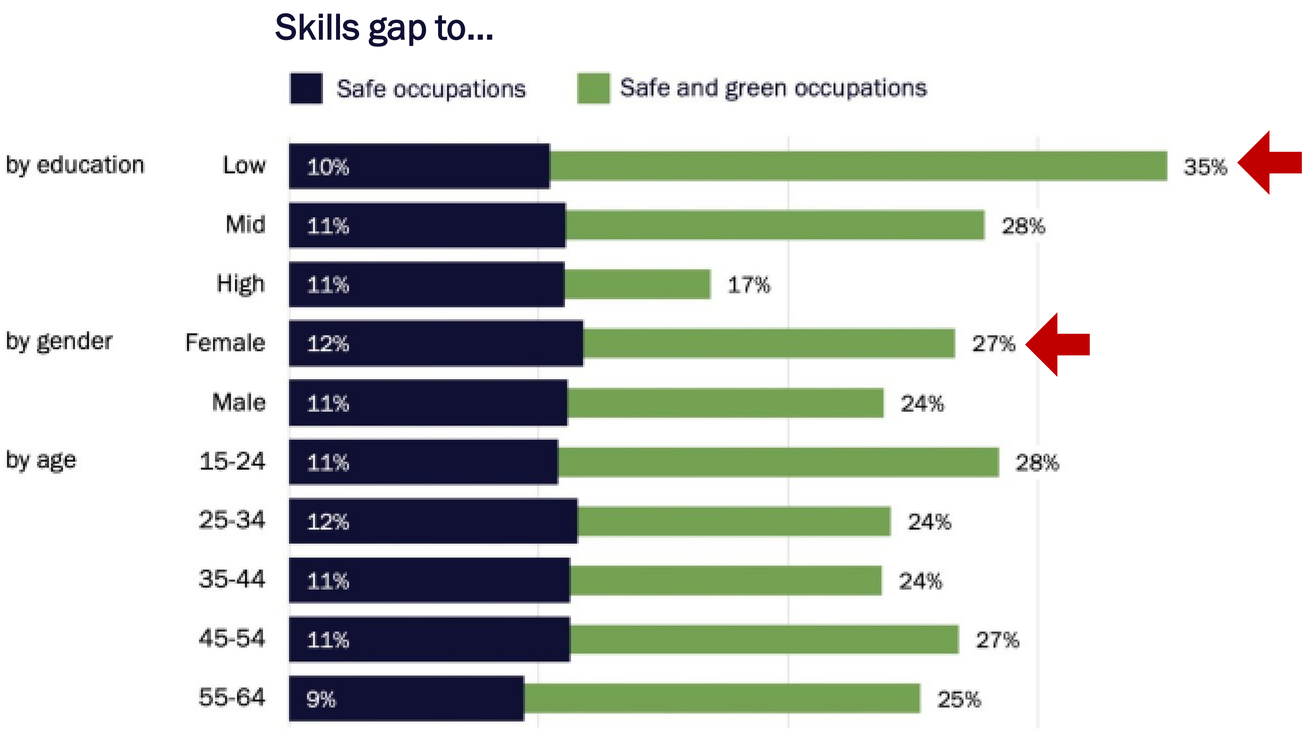


Source: World Bank

- Tightened standards
- Innovative financing
  Support for vulnerable people
- Phase down energy subsidies
- Workforce training

- Align energy taxation with decarbonization goals

Thoughtful implementation is required to protect the vulnerable



Source: World Bank

Scale the Green & Digital Voucher Scheme

Strengthen social protection

Targeted social assistance

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How can Croatia unlock the benefits of the climate transition?

Mobilizing the required investment is feasible

US$16.6 bn

Incremental net costs of net zero over current trends, 2025-2050*

1.1%

Incremental net investment as a share of GDP

US$0.5 bn

Net costs of reducing modeled damages from -1.3% of GDP to -0.6% by 2050**

Share to be financed by the public sector

Investment opportunity for the private sector

* 2020 US$, 6% discount rate

** 2020 US$, 6% discount rate, dry/hot climate scenario, excluding tourism

Strengthened institutions and governance are key for success

Improved…

Policy coordination

Institutional capacity

Implementation

Private sector coordination

The climate transition is an opportunity for Croatia to

restructure its economy

become more export-driven

become more resilient

reduce reliance on a single sector

Downloads

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