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**NATIONAL INPUT OF
THE REPUBLIC OF CROATIA**

HABITAT III
NATIONAL INPUT OF
THE REPUBLIC OF CROATIA

CONTENTS

PAGE	I	URBAN DEMOGRAPHIC ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA
7	1	Managing rapid urbanization
9	2	Managing rural-urban linkages
10	3	Addressing urban youth needs
11	4	Responding to the needs of the elderly
12	5	Integrating gender in urban development
12	6	Challenges experienced and lessons learnt in this area
13	7	Future challenges and issues in this area that could be addressed by a New Urban Agenda
	II	LAND AND URBAN PLANNING: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA
15	8	Ensuring sustainable urban planning and design
16	9	Improving urban land management, including addressing urban sprawl
18	10	Enhancing urban and peri-urban food production
19	11	Addressing urban mobility challenges
20	12	Improving technical capacity to plan and manage cities
21	13	Challenges experienced and lessons learnt in this area
21	14	Future challenges and issues in this area that could be addressed by a New Urban Agenda
	III	ENVIRONMENT AND URBANIZATION: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA
24	15	Addressing climate change
25	16	Disaster risk reduction
26	17	Reducing traffic congestion
26	18	Air pollution
27	19	Challenges experienced and lessons learnt in this area
28	20	Future challenges and issues in this area that could be addressed by a New Urban Agenda
	IV	URBAN GOVERNANCE AND LEGISLATION: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA
31	21	Improving urban legislation
31	22	Decentralization and strengthening of local authorities
33	23	Improving participation and human rights in urban development
34	24	Enhancing urban safety and security
35	25	Improving social inclusion and equity
36	26	Challenges experienced and lessons learnt in this area
37	27	Future challenges and issues in this area that could be addressed by a New Urban Agenda
	V	URBAN ECONOMY: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA
39	28	Improving local finance
39	29	Strengthening and improving access to housing finance
40	30	Supporting local economic development
41	31	Creating decent jobs and livelihoods
42	32	Integration of the urban economy into national development policy
42	33	Challenges experienced and lessons learnt in this area
43	34	Future challenges and issues in this area that could be addressed by a New Urban Agenda

VI HOUSING AND BASIC SERVICES: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA

- 45 **35** Slum upgrading and prevention
- 45 **36** Improving access to adequate housing
- 47 **37** Ensuring sustainable access to safe drinking water
- 47 **38** Ensuring sustainable access to basic sanitation and drainage
- 48 **39** Improving access to clean domestic energy
- 49 **40** Improving access to sustainable means of transport
- 49 **41** Challenges experienced and lessons learnt in this area
- 50 **42** Future challenges and issues in this area that could be addressed by a New Urban Agenda

VII INDICATORS

- 52 **I** Percentage of people living in slums
- 52 **II** Percentage of urban population with access to adequate housing
- 52 **III** Percentage of people residing in urban areas with access to safe drinking water
- 52 **IV** Percentage of people residing in urban areas with access to adequate sanitation
- 52 **V** Percentage of people residing in urban areas with access to regular waste collection
- 52 **VI** Percentage of people residing in urban areas with access to clean domestic energy
- 52 **VII** Percentage of people residing in urban areas with access to public transport
- 52 **VIII** Level of effective decentralization for sustainable urban development measured by:
 - 52 **(i)** percentage of policies and legislation on urban issues in whose formulation local and regional self-governments participated from 1996 to the present;
 - 52 **(ii)** percentage share of both income and expenditure allocated to local and regional self-governments from the national budget;
 - 52 **(iii)** percentage share of local revenues in the self-government units' expenditure
- 53 **IX** Percentage of city, regional and national authorities that have implemented urban policies supportive of local economic development and creation of decent jobs and livelihoods
- 53 **X** Percentage of city and regional authorities that have adopted or implemented urban safety and security policies or strategies
- 53 **XI** Percentage of city and regional authorities that have implemented plans and designs for sustainable and resilient cities that are inclusive and respond to urban population growth adequately
- 53 **XII** Share of national gross domestic product (GDP) that is produced in urban areas



**URBAN
DEMOGRAPHIC ISSUES
AND CHALLENGES FOR A
NEW URBAN AGENDA**

1 MANAGING RAPID URBANIZATION

The management, use and protection of space in the Republic of Croatia is ensured through a system of spatial development planning which provides conditions for social and economic development, the protection of environment and nature, excellence in construction and the rational use of cultural goods. ❖

In streamlining its spatial development, the Republic of Croatia has the following national documents in place for an integrated planning approach: Spatial Development Strategy of the Republic of Croatia (1997, Amendments in 2013) and Spatial Development program of the Republic of Croatia (1999, Amendments in 2013). The Strategy and the Program promote a more harmonious development of the Croatian urban system, and put special emphasis on encouraging the development of medium and small-sized cities and development centers as holders of the development system, while also proposing a slowdown of population growth in large cities. Due to negative demographic processes and an underdeveloped network of settlements, uses and economy, they particularly highlight areas of limited development. Under the Spatial Development Strategy, Croatia opted for a polycentric concept of development, but this has not yet been fully implemented. The policy of polycentric development remained incomplete partly because of a too-brief time period planned for its implementation, partly due to sectoral misalignment of development plans, and partly due to a non-existent system for monitoring implementation. Having ensued from war destruction and the economy's restructuring, the processes of population displacement, abandonment of rural areas and islands, neglect of arable land and economic resources after independence also did not serve to aid polycentric development. Concurrently, there was migration to large cities, especially their fringe areas, and to attractive coastal regions. With the entry into force of the 2014 Physical Planning Act began the process of drafting a new Spatial Development Strategy of the Republic of Croatia to become a fundamental strategic document that will determine priorities for spatial development and streamline their implementation. ❖

Demographic trends of the Republic of Croatia in the past 15 years, continuing earlier ones, are characterized by a decline in population, continuous natural depopulation, increased aging of the population and an imbalance in the population's age structure. The Republic of Croatia is one of a group of only five EU countries that in the period of 2008 - 2012 recorded both natural decline and negative balance of migrations. According to the last census of the population, households and apartments in 2011, 4,284,889 people lived within the territory of the Republic of Croatia. Compared to the previous census from 2001, the population shrank by 152,571 persons, or an index of 96.56. Demographic aging of the population has been recorded for a long time, and has a tendency of rising. Depopulation processes are less evident in the attractive coastal areas recording coastal urbanization as well as in the metro region of the capital, Zagreb. ❖ Croatia's regional urbanization is uneven. Coastal macro-regions are urbanized at an above average level. This came as a consequence primarily of migrations from the hinterland and the islands to cities, as well as of higher natural growth in the first and partially second generation of rural-to-urban settlers. On the other hand, macro-regions in continental Croatia, being less urbanized, have different features. The development of Zagreb and other cities in the mainland was facilitated by their extensive economy (developed manufacturing and service activities), which has driven migrations from rural areas and a social restructuring of the agricultural population. ❖

Four large urban regions in Croatia evolved around the largest cities: Zagreb, Split, Rijeka and Osijek, which all have good spatial distribution. Their combined populations are 1,661,924 inhabitants or 38.8% of the entire Croatian population. The main cities in most regions account for up to 95% of work places, with only 5-10% in the environ. This indicates that the development of Croatian urban regions is still at an early stage. ❖

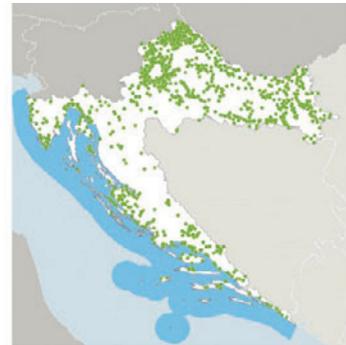
For these four regions, conurbations are established at the national level: Rijeka, Split, Osijek and Zagreb. A strategy for their sustainable urban development is currently being drafted. ❖ Still, large urban regions are increasingly decentralized, which is why the environ takes over demographic and functional development.



settlements without population



settlements with population
1 to 500



settlements with population
501 to 2.000



settlements with population
2.001 to 5.000



settlements with population
5000.1 to 10.000



settlements with population
10.001 to 35.000



settlements with population
35.001 to 100.000



settlements with population
over 100.001

**SETTLEMENTS BY
POPULATION**

Source: Croa-
tian Bureau of
Statistics, 2011

1 MANAGING RAPID URBANIZATION

Despite the population decline in central cities, the areas surrounding Zagreb, Split and Rijeka record population growth, which affects the overall positive development of the population of these urban regions, but also creates problems specific to the urban fringe areas (urban sprawl). In contrast, the Osijek region has recorded a decrease in population, both in the central city and surrounding areas. ❏

In the urban system, small towns are predominant, while medium-sized cities are missing. With 143 urbanized settlements grouped into 128 cities with about 54% of the total population, Croatia is a relatively urbanized country, but is not facing the global trend of rapid urbanization.

2 MANAGING RURAL-URBAN LINKAGES

The spatial distribution of settlements shows disproportion: the network of central settlements evidently has the least density in the mountain and border areas of the Republic of Croatia and on some of the islands – the areas with numerous development restrictions and poor access to higher level services. Croatia’s rural areas are characterized by negative demographic, economic and general development trends. Along with numerous small settlements, the fundamental characteristic of Croatian rural areas is a scattered population, causing a very ramified network of settlements, which however lacks a good organizational hierarchy, development and connections. ❏

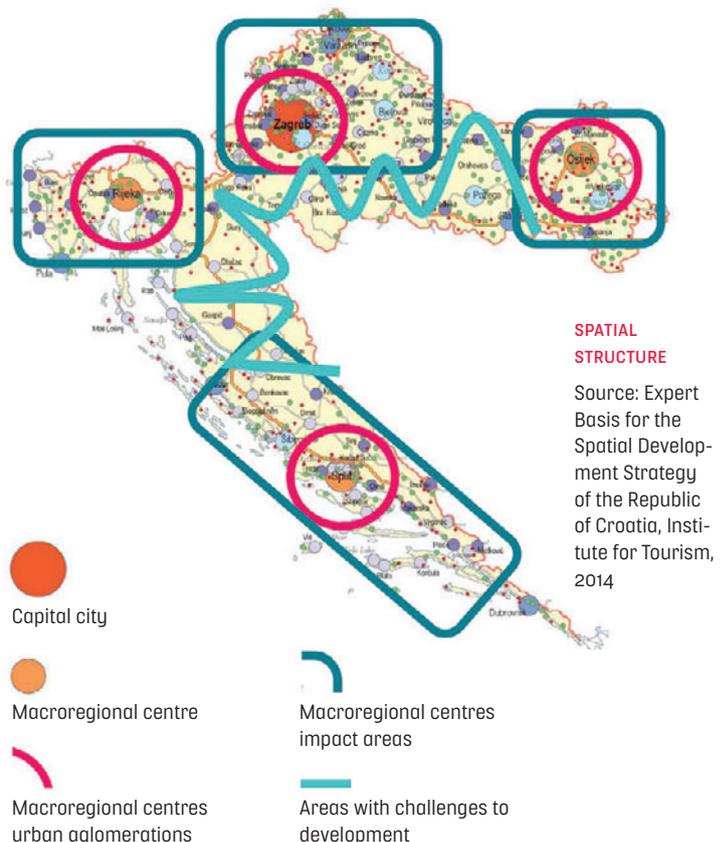
An aggravating circumstance in planning the future network of compact contiguous settlements is the already present trend of decreasing public facilities following up on the decrease in population. The loss of manufacturing and service activities and of available supply, especially in smaller settlements and at walking distances, had significantly varied effects in space. ❏

One of the main issues of the Republic of Croatia is the trend of urbanization that evolves towards the population’s concentration in several urban regions, along with the depopulation of rural areas. ❏

The policy and strategic documents of spatial and regional development in the Republic of Croatia are streamlining large Croatian cities

towards their functional urban areas and their surrounding rural areas, and encouraging urban-rural linkages. Linkages of the system of settlements with the surrounding areas, the urban-rural linkages, are defined by spatial development plans. Given the population’s concentration and its impact on surrounding areas, the planning of major cities in line with the development of corresponding regions is imposing itself as a special task. ❏

Standing out among other particularly important topics with regard to the harmonized development of large cities and their surrounding areas are the following: design of an integrated urban-suburban public transport system with a focus on sustainable mobility, preservation of the identity of settlements in the functional region, control of the periphery of large cities and prevention of urban sprawl, planning of a mutually supplementing economic development with a special focus on the placement of products and services from the functional region on a large city’s market, and addressing common environmental and infrastructure issues. ❏



2 MANAGING
RURAL-URBAN
LINKAGES

Towns in rural regions are indicated as an integral component of rural development. Therefore, at the national level, there is particular emphasis on the need for special support to the development of medium-sized and small towns crucial for the survival of predominantly rural areas, especially affected by depopulation, restructuring of the socio-economic base, and vanishing of public functions and content. The preservation of historic urban tissue and careful restoration of the identity elements of such cities are important for increasing their appeal to tourists, economic development and investments, as well as preserving the number of existing inhabitants and attracting new ones.

3 ADDRESSING URBAN YOUTH NEEDS

According to the 2011 census, in the Republic of Croatia there were 794,901 young people aged 15 to 29, of which 505,835 were aged 15 to 24, and 289,066 were aged 25 to 29. The number of young people has been constantly declining, and in recent years they have been faced with the problem of integration into society, which is a consequence of the economic crisis, lack of jobs, overall decrease in the number of employed people and uncertainty of employment. All of these result in a high rate of youth unemployment. ¶ The National Youth Program 2014-2017 sought to achieve optimal social integration of young people. The Program is a comprehensive strategic document focused on 7 areas: education, vocational training and training in the context of lifelong learning; employment and entrepreneurship; health and health care; social security and social inclusion; active participation of young people in society and political participation; youth in European and global environments; and youth and culture. ¶

At the invitation of the European Steering Committee for Structured Dialogue with Young People, in 2013 began the process of structured dialogue with young people in the Republic of Croatia, a process of consultation between decision-makers and young people, which ensures that the opinions and recommendations of our youth are one of the key impulses in de-

cision-making and shaping youth policies at the European and national levels. ¶

The package of active employment policy measures for young unemployed people, entitled *Young and Creative*, has been in effect since 2013. The measures are aimed at raising competences and preparing young people for employment - particularly at strengthening young people and involving them in entrepreneurship - as well as the development of civil society organizations as ever more important stakeholders in the labor market. ¶

With the model of financial support for youth association projects and programs, and for the young people of the Republic of Croatia themselves, young people are being given the opportunity to create innovative responses to current economic, social and ecological challenges. ¶

From 2003 to 2012, a special program entitled *Education for Entrepreneurship* was in effect through the system of Croatian institutions for support to entrepreneurs. The program, *inter alia*, included education for children and youth. ¶

In effect since 2014, the European reform program *Youth Guarantee*, a new approach to addressing the issue of youth unemployment, strives to activate in the labor market all people under 25 (in Croatia under 30). In the areas of entrepreneurship and crafts, young people within this framework acquire entrepreneurial skills in secondary schools and faculties through measures for student cooperatives, student companies and apprentice companies, as well as student incubators. ¶

Based on the 2014 Strategy for Education, Science and Technology, the 2016-2020 Strategy for Lifelong Career Guidance and Career Development in the Republic of Croatia ensued as the basic document and key component of lifelong learning, as well as an employment policy tool, bearing particular importance for solving the issue of long-term youth unemployment. ¶

Today, incentives for small and medium enterprises and crafts are being provided for the development of small businesses. Young people are one of the special target groups with special incentives for youth education and youth employment. The entrepreneurship and crafts policyholder is the project holder for the building and establishment of the South East European center for Entrepreneurial Learning (SEECCEL). ¶

3 ADDRESSING URBAN YOUTH NEEDS

Additionally, special measures for encouraging research and development of innovation, involving mostly young people, are currently being implemented, in addition to programs of financial support for fast-growing companies in the ICT sector.

4 RESPONDING TO THE NEEDS OF THE ELDERLY

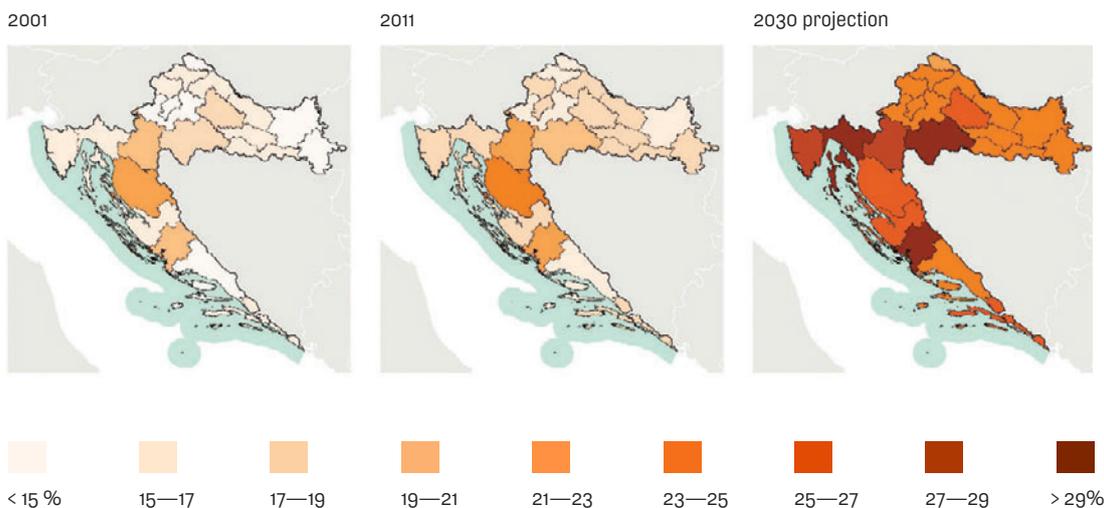
The sociodemographic indicators suggest that Croatia is an *old society*, as those aged 65 and older account for more than 7% of the population. The 2011 census reported 758,425 people over 65 years, which accounts for 17.7% of the entire population, thus reaching the EU average (17%). From 2001 to 2014, the oldest population (80 and over 80) nearly doubled, from 98,802 to 189,923. ❖

For the elderly, there are active employment policy measures entitled *Važno je iskustvo* (Experi-

ence Matters), which encompass various incentives for employment, education and training for the unemployed, and public works. There are plans to further intensify the measures for education of the unemployed, as well as training in workplace for people over 50. ❖

Employment through seasonal work in agriculture - by daily hiring through vouchers - facilitates employment in seasonal jobs in agriculture. Vouchers are used by retired people while maintaining retirement and the unemployed will thus not be deleted from the unemployment register. ❖

The 2014-2016 Social Welfare Strategy for the Elderly in the Republic of Croatia was adopted to enable the right to a dignified old age and permanent social inclusion for the elderly and infirm. The social welfare system recognizes them as being a particularly vulnerable category of beneficiaries. With its holistic approach, the Strategy aims to provide a higher level of social welfare quality for the elderly, to create a basis to finance associations' projects



4 RESPONDING TO THE NEEDS OF THE ELDERLY

and to enable service providers' access to the EU funds for financing services for the elderly in the community, while increasing their quality of life and enabling them to live as long as possible in their own home. Within the social welfare system, the elderly exercise the right to cash subsidies or benefits in kind, as well as the right to social services. Among social services, the elderly most often exercise the right to the service of long-term accommodation and the right to in-home care. ❑

Through the financing of projects and three-year programs by civil society organizations and other providers of services for the elderly, the measures of the 2014-2020 Program for the Implementation of the Strategy Against Poverty and for Social Exclusion in the Republic of Croatia for the period 2014-2016 subsidize organization of daily activities as well as existing and new service providers for extra-institution services for the elderly. The provision of extra-institutional services in the areas that are poorly connected by public transport directly increases a sense of security for the elderly and their quality of life.

5 INTEGRATING GENDER IN URBAN DEVELOPMENT

The policy of gender equality and empowerment of women, being one of fundamental principles of democracy and social order in the Republic of Croatia, was adopted at the highest national level. ❑

The 2008 Gender Equality Act determines the basis for the protection and promotion of gender equality and it defines and regulates the manner of protection against gender-based discrimination and the creation of equal opportunities for both women and men. For the implementation of this Act, besides the Office for Gender Equality of the Government of the Republic of Croatia and the Ombudswoman for Gender Equality as an independent body to combat discrimination in the field of gender equality, competent authorities are also Gender Equality Coordinators in the state administration and the county, city and municipal commissions for gender equality at the local level. ❑

The National Policy for Gender Equality for the period of 2011-2015 is the fundamental strategic

document of the Republic of Croatia which was adopted with the aim of eliminating discrimination against women and establishing real gender equality by implementing a policy of equal opportunity. The National Policy contains seven key areas of activity and obliges Croatia to the inclusion of the gender dimension in all areas of policy through implementation of specific measures related to the promotion of human rights of women and gender equality, creation of equal opportunities in the labor market, enhanced implementation of gender-sensitive education, balanced participation of women and men in political and public decision-making, elimination of all forms of violence against women, promotion of international cooperation and gender equality outside the Republic of Croatia, and further strengthening of institutional mechanisms and methods of implementation. ❑ This, like all previous national policies on gender equality, restates that the Republic of Croatia fulfils its obligations from the Beijing Declaration and the Platform for Action acceded at the Fourth UN World Conference on Women held in Beijing in 1995, by acceding to various international treaties, including the UN Convention on the Elimination of All Forms of Discrimination against Women and the UN Millennium Declaration, ILO Convention and those arising from membership in the Council of Europe and the European Union, and as an integral part it includes strategic orientations and goals of the European Commission's Strategy for equality between women and men 2010-2015.

CHALLENGES EXPERIENCED AND LESSONS LEARNT IN THIS AREA

Amidst today's significant consequences of the pressures of urbanization, which affect physical, biological, economic and social processes, particularly noticeable are excessive construction in coastal regions and the uncontrolled spread of construction along the coastline, improper and/or illegal construction, especially in the narrow coastal area, inadequate infrastructure

**5 INTEGRATING
GENDER IN
URBAN
DEVELOPMENT**

of individual settlements, lack of facilities for the purification of urban and industrial waste water, loss of integrity and quality of the landscape and other. ❑

Abandoned complexes and properties in almost all Croatian cities are mainly a result of economic changes caused by the decline of traditional industries in the 1980s, a consequence of war destruction and changes in state organization, while global economic crises and recession have further impacted the past two decades and left a visible trace. ❑

Addressing the needs of urban youth, especially ensuring the right to work, is one of the key issues of urban development, particularly in the context of mitigating the outflow of young people and the country's demographic recovery. ❑ An aging population and changes in the structure of the traditional family in the Republic of Croatia have for a long time been indicating the growing need for specific social services for the elderly, such as placement in homes, in-home help, requirements for recreation, entertainment, customized transportation and health care. In solving the social problems of the elderly it is necessary to, in addition to the state and public sector, include the private sector and civil society organizations which have important knowledge and resources that might contribute to the development of local mechanisms for achieving adequate responses to these problems. For the time being, due to the undefined policy of their funding, the existing potentials are not sufficiently exploited.

7 FUTURE CHALLENGES AND ISSUES IN THIS AREA THAT COULD BE ADDRESSED BY A NEW URBAN AGENDA

In the future, cities will need to address, in an innovative and effective way, the environmental issues of: noise protection, protection of air and water, traffic congestion and pollution, production of waste and its processing, adaptation to climate change, reducing energy consumption

and use of energy from renewable sources. ❑ It is necessary to reflect on, and through planning processes establish new and preserve the existing systems of urban green infrastructure - networks of green surfaces in which and by which a contribution is made to the preservation, enhancement and renewal of nature, natural functions and processes in the cities. ❑ A significant spatial resource in urban areas are abandoned industrial and military complexes, to some extent out-of-service hospitality and tourist facilities, while to a lesser extent there also exists recognition of abandoned buildings of residential, commercial and public use, utility facilities, premises of former shipyards and industrial ports and abandoned exploitation fields in fringe areas of settlements or beyond. In the dynamic development of cities there are frequent changes to the methods of using a city's territory, but special provisions are required for multiple land use while development activities need to be streamlined towards the areas that have lost or are losing their previous functions. Interventions that will rehabilitate the existing situation, enhance the environment and contribute to the revitalization of areas and the instigation of economic dynamics (employment, stimulating effects on the development of other activities, landscaping and development of land infrastructure) are the priority for urban development. ❑ Due to stagnation and the aging process of the population, special attention with regard to planning should be given to the city's development as a city for all generations, looking after the needs of families, children, the elderly and all vulnerable groups.



**LAND AND URBAN
PLANNING: ISSUES AND
CHALLENGES FOR A NEW
URBAN AGENDA**

8 ENSURING SUSTAINABLE URBAN PLANNING AND DESIGN

The planning of spatial development is the starting point of actions in space, and its aim is to streamline the spatial development of the Republic of Croatia towards new values. A well-constructed area is a prerequisite for fulfilling optimal social, economic, cultural and ecological needs for quality of life, which are meaningful and in the common interest. Each intervention in and transformation of space directly affects health, safety, climate and overall living conditions. An excellently built space comes not as a result of coincidence; it is the result of the systematic work of professionals, aided by political support and incentives and the comprehension and acceptance of objectives of quality in all aspects of a complex process – from spatial development planning, architectural design and construction, to use and maintenance. Along with abiding by what is planned and with planning more conscientiously, no construction in inappropriate locations should occur – in areas of flooding, landslides, with disastrous consequences for space, people and assets. ❖

The assumption of providing and preserving the quality of a built environment also embraces the respect and implementation of laws and by-laws in the field of protection of monuments of architectural heritage, land planning and construction, along with control of the entire process through continuous, coordinated and accountable activities by all stakeholders – planners, designers, protection services, contractors, investors, developers, maintenance and management services, and users. ❖

As part of the overall policy of the State, which reflects public interest for the quality of the overall built environment and the creation of the cultural landscape, in 2012 there was the adoption of the Architectural Policies of the Republic of Croatia 2013-2020, ApolitikA, National Guidelines for the Quality and Culture of Building, all formatted so as to become a catalyst for the processes of sustainable development, the concern of public interest and space, the improvement of design values based on architectural features, the protection of health, en-

vironment and safety. ApolitikA is focused on achieving three main objectives – a culture of building, which is a prerequisite for the quality of the built environment, then the quality of the built environment itself, as the basis for a good life of each individual person, and quality architecture, which should become a stimulus for national development and progress. ❖

The spatial development planning system of the Republic of Croatia is devised upon the territorial organization of the country, the powers and jurisdiction of the state, local (regional) and local levels. In terms of procedure, the system functions through the drafting, adoption and implementation of regional spatial development plans. Spatial development plans are produced by experts, and adopted by the Croatian Parliament, the Government of the Republic of Croatia and the representative bodies of local and regional self-governments. The data for their production are input by public administration bodies, which also participate in the process. In the course of drafting spatial development plans, there take place one or more mandatory public discussions, which ensure the participation of the public and all interested participants. ❖

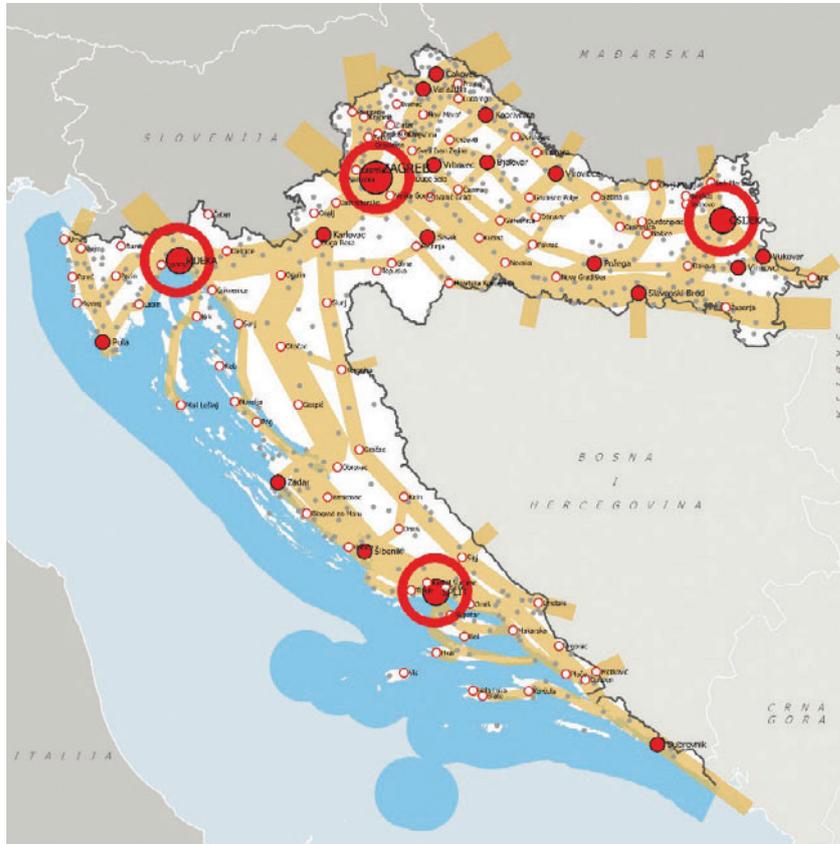
In terms of content, the system is based on the cross-sectoral alignment and harmonization of the requirements and interests of all users of space. ❖

The Regional Development Act introduces the categories of urban conurbations for wider areas of influence of four major cities (Zagreb, Split, Rijeka and Osijek) and the categories of larger and smaller urban areas, with the obligation of adopting strategies for the development of urban areas as a base for planning projects co-financed by EU funds and from other sources. In addition, a clear definition of urban areas and the drafting of strategies of urban development, aligned with the methodological guidelines prepared by the owners of the policy of regional development, create a long-term base for better planning of urban development and better preparation of development projects, and the related enhanced use of EU funds intended for urban development. ❖

The Republic of Croatia has determined that urban development projects will be implemented in the largest urban areas with the highest concentration of population and most capacity for project implementation, and that they will be

**SETTLEMENT
STRUCTURE
AND TRANSPORT
CORRIDORS**

Source: Spatial Development Strategy of the Republic of Croatia, Final Draft, Croatian Institute for Spatial Development, 2015



**8 ENSURING
SUSTAINABLE
URBAN
PLANNING AND
DESIGN**

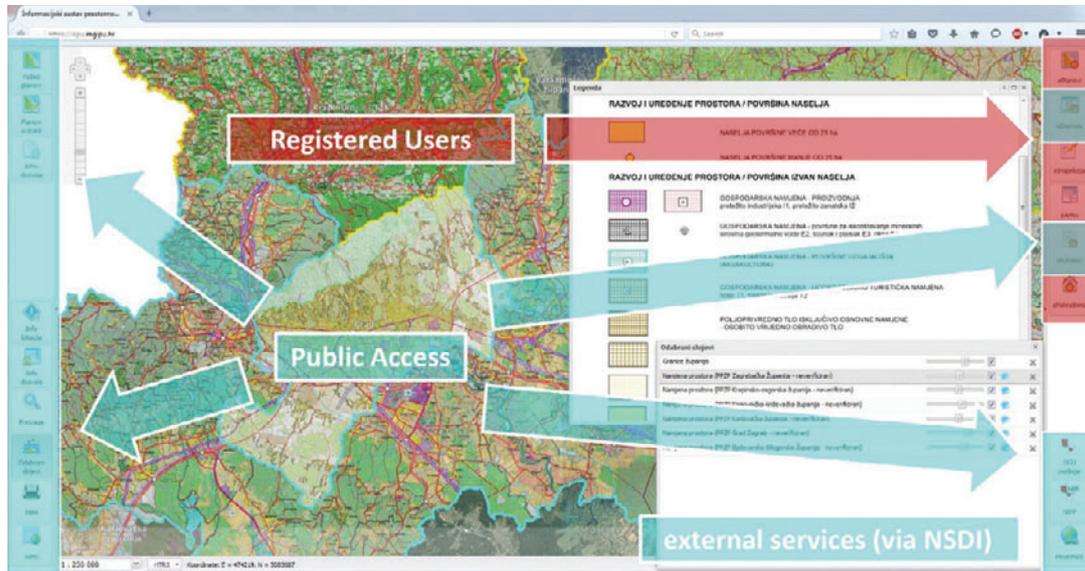
co-financed by EU grants through the mechanism of integrated territorial investments. The integrated territorial investments are EU’s new mechanism (ITU mechanism) for the period of 2014-2020, which was introduced with the aim of strengthening the role of cities as generators of economic development. In accordance with the Partnership Agreement, urban areas, candidates for financing by the ITU mechanism, are the seven largest urban centers in the Republic of Croatia with the highest concentration of population and cities with more than 50,000 residents in compact contiguous towns - Zagreb, Split, Rijeka, Osijek, Slavonski Brod, Zadar and Pula. These urban areas need to devise development strategies for their area in accordance with a methodology that includes integrated measures to respond to economic, environmental, climatic, demographic and social challenges. The activities that may be implemented in the cities through the ITU mechanism will make contributions in the following thematic areas: Cities as Drivers of Economic Growth, Clean Cit-

ies or Cities Fighting Against Climate Change, Inclusive Cities or Cities Fight Against Poverty.

**IMPROVING URBAN
LAND MANAGEMENT,
INCLUDING ADDRESSING
URBAN SPRAWL**

9

The Law on National Spatial Data Infrastructure has established rules for the establishment, maintenance and development of National Spatial Data Infrastructure (NSDI) in Croatia, which provides efficient integration, management and maintenance of spatial data sharing for the purpose of meeting needs at the national and European level. The Croatian NSDI will be aligned with the development of spatial data infrastructures at the European (INSPIRE) and global (GSDI, UN GGIM) level, and will affect the



ISPU GEOPORTAL presentation, search, access to data entry modules for registered users
 Source: Croatian Institute for Spatial Development, 2016

9 IMPROVING URBAN LAND MANAGEMENT, INCLUDING ADDRESSING URBAN SPRAWL

development of the infrastructure of the spatial data at the local level. ❑

An integral part of NSDI is the Physical Planning Information System (PPIS), an interoperable system for continuous and timely monitoring of the spatial situation in electronic form, which is in development. With the development of PPIS and its modules (eDozvola or electronic license, ePlans, eArhiv or electronic archives, eInspection, etc.), all data relevant for spatial development planning and construction will become available to the public, potential investors and authorized users of the state and public administration, aimed at effective spatial data management, planning and monitoring in space, and more efficient implementation of spatial development plans. ❑

Defining technical standards and methodology for the development of a new generation of spatial development plans using GIS tools will enable better functioning of the information system. ❑

Shortcomings in the updated survey elaborates and disorganization of the cadaster and land registries are a challenge, both for spatial development planning and for the proceedings related to land development and the implementation of the planned spatial development. ❑

Organized Land, the National Real Property Registration and Cadaster Program, has been implemented since 2003. One of the key objectives of this program, abbreviated as *Organized Land*, is

to create an integrated information system of land registry and cadaster - the establishment of a single database of the cadaster and land registers - and a unique software for data management and upkeep. ❑

The enhanced management of urban land has particular importance in the context of preventing the devastation of areas in space both by irrational planning and by illegal construction. This tackles not only individual buildings, but also entire strips of land and areas, especially along the Adriatic coast, on some islands and along big cities. Control has failed, both of the excellence of spatial development plans at the implementing levels and the excellence of the construction of each type of building, and particularly the one most ubiquitous type of construction which takes up most of the space - housing. Residential construction expanded in several directions – fulfillment of the primary needs for housing, secondary housing and housing for tourism purposes. The consequence of the latter were zones built in separated construction areas that are used only occasionally, thus decreasing the quality of life by creating an enormous seasonal short-term burden to the social, transport and utilities infrastructure. This applies not only to the recorded zones of illegal construction, but also to the old town centers, the population of which succumbed to market challenges and moved out, thereby facilitating extinction of the urban structure. ❑

9 IMPROVING
URBAN LAND
MANAGEMENT,
INCLUDING
ADDRESSING
URBAN SPRAWL

The four large urban regions emerged around the largest cities in the processes of decentralization, now making the surroundings take over demographic and functional development. Therefore, in terms of planning, it will be this contact area to which special attention will be devoted, in particular through the implementation of the process of urban rehabilitation, which the Physical Planning Act prescribes as a set of planned measures to improve the character of the built section of a construction area and the urban network of public areas, devastated by illegal construction.

10 ENHANCING URBAN AND PERI-URBAN FOOD PRODUCTION

In comparison to other European countries, Croatia has a small area of contaminated soil – a fact which is a prerequisite for the development of organic agriculture - and large areas of grassland and pastures as a prerequisite for the development of animal husbandry. Food manufacturers in Croatia operate through all forms of registration: family farms, crafts, companies and cooperatives. ❑

Agriculture and food production are increasingly expanding into cities and towns. Urban agriculture and urban gardens in Croatia are becoming increasingly popular. The interest in elective farming and growing food is in some cities increasingly becoming not only a recreational form of production for one's own needs, but also an additional source of income. This demonstrates an enormous interest in the unregulated free surfaces that cities grant for use by their citizens. ❑

Based on the Law on Agricultural Land, agricultural production is being encouraged in built areas of settlements in the areas of unbuilt construction zones above 1000 m². This land is considered agricultural and is used as such until its basic use begins or until the enforceability of the document permitting construction. ❑

Agricultural areas around cities are ideal places for production, and city markets are ideal for selling homemade, locally produced food. There appear various movements that promote local

food, thus contributing to the sustainability of the local supply of healthy and fresh food by known producers to urban consumers, at an affordable price along with reduced production costs, which concurrently contributes to improving producers' economic status. Food produced locally involves all the processes of production, processing, distribution and consumption on a small scale, and thereby encourages the development of sustainable local farms and creates a strong link between farms and consumers. ❑ The Rural Development Program of the Republic of Croatia provides incentives through the system for co-financing the short supply chain of food. ❑

In the past several years, some Croatian cities (Zagreb, Velika Gorica, Samobor, Čakovec, Virovitica, Varazdin, Rijeka, Sisak, Karlovac, Osijek and others) began implementing local *City Gardens* projects, through which lots of land was granted for use to socially vulnerable persons or interested citizens for growing vegetables and fruits. According to some assessments, about 3,000 households in Croatia are currently using urban gardens. Only the City of Zagreb has 11 urban gardens, with more than 2,000 garden lots over an area of 21.00 ha. In social, economic and environmental terms, the City Gardens project is a positive example of the sustainable use of urban land and an achieved improvement in the quality of citizens' life. ❑

At the European level, in the framework of URBACT III, the City of Petrinja has since 2015 been participating in an international network titled AGRI-URBAN, which aims to reflect on and revitalize the production of agricultural food in small and medium-sized European cities.

EXAMPLE OF GOOD PRACTICE

Zg sirek – Zagreb's fresh farmer's cheese is the first document of the City of Zagreb intended to foster agriculture. It is being implemented on the basis of a strategic document of the City of Zagreb - Zagrebplan 2016-2020 - and the 2016-2020 Program for Sustainable Development of Agriculture, Forestry and Rural Area of the City of Zagreb, which gives Zagreb's farmers the opportunity to get subsidies for various activities in primary agricultural production. The project started several years ago and is one of the exemplary good practices carried out by the Associations of Small Producers of Cheese of the Zagreb Area, in cooperation with the Counseling Service in the Republic of Croatia for Agriculture, Rural Development, Fisheries and Forestry. Its topic is *the production and marketing of health food at the local level*, and it aims to preserve this local product, traditionally made from raw milk and following the same local

recipe used for at least five centuries, as well as to ensure prerequisites for the survival of the smallest producers. The next project will cover investments in the processing and marketing of agricultural products and in various additional farmers' activities, so as to increase learning power, and the creation of short supply chains and the direct sale of their food produced in the local environment of the City of Zagreb.

11 ADDRESSING URBAN MOBILITY CHALLENGES

The challenges before urban transport in the Republic of Croatia are growing increasingly serious. Cities are overwhelmingly faced with the problem of congestion, poor air quality and noise exposure. Urban traffic is responsible for about a quarter of CO₂ emissions from transport, while 69% of road accidents occur in the cities. These are the issues facing Croatia's main urban hubs/urban areas, while solutions differ depending on the existing infrastructure, geomorphological characteristics and patterns of mobility (e.g. presence of the sea and the need for connections to the islands). ❏

The number of passengers in public transport in the Republic of Croatia has declined in all modes of transportation. In 2012, compared with 2011, passenger transport shrank by 20.1%. Railway transport decreased by 45.5%, road transport by 0.5%, maritime and inshore transport by 3.5% and air transport by 5.7%. At the same time, the use of personal vehicles has increased. ❏

Public transport in the Republic of Croatia today is non-integrated. Intermodal terminals are non-existent or extremely rare. In addition, there are concurrent bus and railway lines. Railway transport is in an unfavorable position because the average age of the fleet is at the end of lifetime while the average age of buses in road transport is about 15 years. Public transport, in the full sense of the word, takes place in the areas of large cities such as Zagreb, Rijeka, Osijek, Split and their conurbations, and in Varaždin, Karlovac, Zadar and Pula. Public tram transport is organized in Zagreb and Osijek, as are railways in Zagreb and Split. Inshore navigation has no public passenger transport for commuting, while public maritime transport is oriented towards connecting the islands with the mainland. ❏

From a legal and administrative standpoint, nearly all central-state and local and regional

bodies have a direct or indirect impact on public transport, but have no integrated financial, organizational or infrastructural strategy and policy. Public transport in the Republic of Croatia is facing problems similar to those of almost all other EU countries. This is evident in the distribution by types of traffic according to which, with 85.4% share of automotive transport, Croatia belongs to the EU27 average of 84% (EU27). ❏

The 2014-2040 Transport Development Strategy of the Republic of Croatia introduced an in-depth reform of the transport policy and plans for a series of activities to address the challenges of urban mobility. Besides the current transport sectors, it will introduce the sector of public urban, suburban and regional mobility. It will look at citizens' mobility through the use of public transport and individual mobility. ❏

The main priorities of the public urban, suburban and regional mobility sectors in the Republic of Croatia are focused on: introduction of integrated transport systems in larger cities and their suburbs and/or regional areas; development of measures to increase the share of public transport and transportation with zero emissions by limiting individual transport in city centers and by favoring public transport through the introduction of intelligent transport systems; increasing system's sustainability by reorganizing this sector in structural and legislative terms, by introduction of the Public Services Agreement in accordance with Regulation (EC) no. 1370/2007, and by improving maintenance system efficiency through the reduction of environmental impact and the introduction of measures to increase the system's security. ❏

A new Spatial Development Strategy of the Republic of Croatia, which is in the process of adoption, stipulates that sustainable mobility in cities be realized through the planning and creation of pedestrian zones, traffic calming zones, cycling infrastructure and a network of public transport, with a constant increase in the quality and safety of services.

EXAMPLE OF GOOD PRACTICE

The CIVINET Network Slovenia-Croatia-Southeast Europe is a network of cities and other stakeholders in southeastern Europe that devise sustainable planning and mobility management in cities. The network aims to transfer knowledge and good practices and develop joint projects that will finance future activities of sustainable transport and enhanced mobility. The network, established in Ljubljana in April 2013, brings together

more than 80 members and is the largest European CIVINET network. Only a small portion of cities has adopted a Sustainable Urban Mobility Plan (SUMP), while surveys of local stakeholders indicate a low level of public consultation in matters of urban mobility, which is why there is still considerable room for improvement.

12 IMPROVING TECHNICAL CAPACITY TO PLAN AND MANAGE CITIES

The existing legislation has secured for local governments the governance, protection and management of space, thus having determined the legal and institutional framework that provides the local authorities and population with prerequisites for a high degree of autonomy and accountability for the area they live in. ■

The Spatial Development Strategy of the Republic of Croatia, which is being drafted, is setting the priorities for spatial development and the directions for their implementation at all three levels of spatial development planning - national, regional and local, and through all regulations that lay out spatial interventions or impact an area and its sustainable development. ■

Balanced regional development is of great importance for the overall economic growth and development of the Republic of Croatia. The Regional Development Act of the Republic of Croatia is harmonized with the new determinants of the 2014-2020 EU cohesion policy which is, *inter alia*, based on the fostering of the dimension of urban development. The new regulatory framework for the EU's cohesion policy obliges Member States to allocate at least 5% of the funds from the European Regional Development Fund towards sustainable urban development. In order to more effectively plan, harmonize and implement the regional development policy, especially its urban dimensions, urban areas were established and divided into conurbations for wider areas of impact by four largest cities and for larger or smaller urban areas. All urban areas were given the obligation to adopt a strategy of development for urban areas. Such diversification of urban areas derives from the fact that the Republic of Croatia has four cities with over 100,000 people, cities which are powerful gravitational centers and have a significant

role in the overall development of the Republic of Croatia. Namely, the importance and impact of Zagreb, Split, Rijeka and Osijek significantly exceed their administrative boundaries, which is reflected in their developmental and spatial orientation, and their integration with the cities and municipalities in their immediate and wider zone of influence. In addition to these cities, this Law also recognizes the importance of larger regional and sub-regional centers which, in line with their populations (35,000), constitute larger urban areas. Here, the importance of smaller towns for the development of the surrounding area is not being neglected. Cities with a population under 35,000, whose central settlement has at least 10,000 inhabitants or is a county seat, belong to the category of smaller urban areas. A strategy for the development of urban areas is to be adopted by the representative body of the city that is the center of the urban area, and is to be drafted with respect for the principle of partnership and cooperation, with the participation of a wide range of stakeholders from the public, private and civil sectors. ■

In the Republic of Croatia there is a total of 13 European territorial cooperation programs being implemented: IPA Cross-border Cooperation Program Croatia-Serbia 2014-2020, IPA Cross-border Cooperation Program Croatia-Bosnia and Herzegovina-Montenegro 2014-2020, Cross-border Cooperation Program Italy-Croatia 2014-2020, Cross-border Cooperation Program Hungary-Croatia 2014-2020, Cross-border Cooperation Program Slovenia-Croatia 2014-2020, Transnational Cooperation Program MEDITERRANEAN 2014-2020, Transnational Cooperation Program DANUBE 2014-2020, ADRIATIC-IONIAN Transnational Cooperation Program 2014-2020, Transnational Cooperation Program CENTRAL EUROPE 2014-2020, Interregional Cooperation Programs INTERREG EUROPE 2014-2020, INTERACT III 2014-2020, ESPON 2014-2020 and URBACT III 2014-2020. Croatian cities taking part in the URBACT III Action Planning Networks are Solin, Varaždin, Šibenik, Koprivnica, Dubrovnik, Petrinja, Split, Zadar and Zagreb. ■

To a lesser extent, some cities participated in the projects of civil society organizations, aimed at improving capacity. In this sense, it is worth mentioning the projects that receive budget contributions in Pazin, Karlovac, Pula and Mali Lošinj.

EXAMPLE OF GOOD PRACTICE

The online system E-ceste (E-roads), for the management and maintenance of unclassified roads of the City of Jastrebarsko, has facilitated rapid and efficient communication among several city services, along with overall control of expenses and orders through a single GIS interface. Having introduced this system, the City succeeded in integrating a number of individual separate organizational systems into one central system, thus accelerating the process by at least 50 percent as compared to the previous operating method. Several other towns in the Republic of Croatia have a similar system in place.

13 CHALLENGES EXPERIENCED AND LESSONS LEARNT IN THIS AREA

In general terms, planning for the sustainable urban development of the Republic of Croatia is to an extent inhibited by fragmented administrative division, while the limitations arising from the misalignment of administrative and functional areas may not always be efficiently overcome, due to a lack of professional capacity and financial resources, as well as a poorly developed administrative culture. ❏

Based on national documents and activities implemented, it was concluded that an integrated development is eligible for all cities with more than 35,000 inhabitants, thus considering that integrated urban development may be relevant for an estimated 2.615 million inhabitants (61.0% of the Croatian population). ❏

The practice at the national level of ceding abandoned/unused state land for the development of cities acts as a brake on significant progress. Namely, even though substantial areas of such land lay available for development throughout the country, the conversion of their use is slow and limited by a number of red tape obstacles as well as lack of funds for infrastructure development, all of which curbs development possibilities and affects the quality and consistency of the infrastructural development and design of urban spaces. ❏

The requirements for the rationalization of energy consumption and the increase of the efficiency of transport infrastructure have given rise to the development of intermodal transport.

Nevertheless, intermodal transport in Croatia is underdeveloped both in freight transport and public passenger transport. Intermodal terminals are scarce, and often there are concurrent bus and train lines.

FUTURE CHALLENGES AND ISSUES IN THIS AREA THAT COULD BE ADDRESSED BY A NEW URBAN AGENDA

14

In the process of drafting a new Spatial Development Strategy of the Republic of Croatia, the adoption of which is expected in 2016, specially recognized was the need for astute use of space and an orientation towards more efficient use of already utilized urban space, whether through urban transformation of abandoned sites, the kind found in almost all Croatian cities, or any of the processes of urban rehabilitation in areas with impaired spatial-functional relations or other significant problems, such as negative demographic and socio-economic trends. ❏

Notwithstanding the general awareness of extremely large areas of abandoned and derelict complexes, there is no unified and systematic register and valorization of spatial, positional, property-legal and value characteristics of each of the brownfield areas in the space, especially not a database that would contain an overview of inactive sites both in state ownership and in the ownership of local governments, as well as those owned by legal entities and individuals. Therefore, the draft Spatial Development Strategy of the Republic of Croatia proposes the establishment of a register of brownfield areas in the Republic of Croatia, as a basis for monitoring transformation in urban space. ❏

Urban rehabilitation is certainly a future challenge, which should primarily be aimed at preventing social segregation and the formation of problem areas vulnerable to the phenomena of urban poverty. The attitude toward urban rehabilitation needs to be comprehensive and, in addition to rehabilitation of infrastructure-design, take into particular consideration so-

14 FUTURE
CHALLENGES
AND ISSUES
IN THIS AREA
THAT COULD BE
ADDRESSED BY
A NEW URBAN
AGENDA

cio-economic and environmental issues, while responding to various contemporary issues - from affordable housing and quality of life, to employment and increase of appeal to tourists, in addition to others. ¶

All the processes of urban transformation and rehabilitation must be to a large extent open to the local population, whose participation and cooperation in rehabilitation will be crucial for the success of the process, and special attention need be paid to the recognition and affirmation of the local systems of identity. ¶

The planning and implementation of complex processes of transformation and rehabilitation also require adjustment with regard to city management. The sectoral approach, in which administrative departments operate in parallel in sealed boxes of their own competences, professional specializations and regulations, without any efficient horizontal interconnection, is unlikely to lead to desired results and contribute to a regeneration of Croatian cities. In addition to cooperation among different administrative departments, the new models of governance are expected to partner up the business sector, interest groups-associations and inhabitants with the local authorities in achieving the set goals. ¶

One of the principles of good governance in cities is the principle of innovation and openness, which encompasses a constant reflecting on new and better solutions, a willingness to learn from the experiences of others and a willingness to experiment through the implementation of pilot projects.



**ENVIRONMENT AND
URBANIZATION: ISSUES
AND CHALLENGES FOR A
NEW URBAN AGENDA**

15 ADDRESSING CLIMATE CHANGE

The climate-warming trend has already been observed in the entire territory of the Republic of Croatia, including a significant reduction in rainfall in the mountain and coastal areas. Frequent occurrences of extreme weather conditions have been also recorded. The issue of forest fires is no longer tied solely to the Adriatic coast and islands, but also to other parts of the State. The damage caused by existing climate conditions and climate variability, the latter being increasingly prominent, already makes a significant impact on agriculture and certainly indicates vulnerability. In the long-term outlook (by 2070), a stronger negative impact may be expected to affect individual elements of the environment, the energy sector, leisure and tourism and the general well-being of the population, especially in large conurbations. ❑ The policies and measures to reduce greenhouse gas emissions and mitigate climate change at the national level are aimed at fulfilling the international obligations of the Republic of Croatia under the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol and the EU *acquis*, and they are a starting point for the long-term development of an economy with low greenhouse gas emissions. The Republic of Croatia has fulfilled its obligation under the Kyoto Protocol in reducing greenhouse gas emissions by 5% in the period of 2008-2012, as compared to 1990. ❑

By becoming an EU member state, Croatia has transposed the common EU objective to reduce by 2020 the emissions of greenhouse gases by 20%, as compared to 1990. That obligation is exercised jointly by Member States at the EU level through EU ETS, the greenhouse emissions trading system. ❑

At the national level, the issue of climate change is regulated by the Law on the Protection of Air, and the drafting of two important strategies in relation to climate issues is under way. ❑

The main planning document for the reduction of greenhouse gas emissions is the Plan for the Protection of Air, Ozone Layer and Climate Change Mitigation in the Republic of Croatia for the period of 2013-2017. ❑

The Low-Carbon Development Strategy of the

Republic of Croatia by 2030 with a view to 2050, the adoption of which is planned by the end of 2016, will provide the basis for policy decisions and guidelines that will have to be implemented by all sectors, so as to significantly reduce greenhouse gases. ❑

At the same time, a series of measures is being implemented to reduce emissions in the sectors of energy, industry, transport, agriculture, etc. The framework of the 2016 consumption and production measures will promote and subsidize the important synergy of environmental policy in all aspects of circular economy, which is to contribute to achieving sustainable development based on knowledge and a competitive economy with low-carbon levels and efficient use of resources. Funding for the implementation of these measures is provided through auctions under the emission-trading scheme. ❑ Energy efficiency has been recognized as the most cost effective and efficient way to reduce carbon dioxide emissions. The majority of buildings and houses in Croatia were built by the end of the 1980s and have poor thermal insulation. Only buildings, for example, now consume more than 42.3% of total energy consumption. Therefore, the Government of the Republic of Croatia launched a comprehensive program of energy renovation for buildings and houses. Projects for buildings, street lighting and infrastructure, and industry and tourism will be co-financed by the 2014-2020 EU Operational Program Competitiveness and Cohesion. ❑

The measures focus on reducing CO₂ emissions from transport, especially in cities with the highest concentration of traffic. In 2016, the adoption of the Act on the Establishment of Infrastructure for Alternative Fuels and the National Policy Framework for the Establishment of Infrastructure and Market Development of Alternative Fuels in Transport is planned. ❑

The National Strategy for Adaptation to Climate Change up to 2040 with a view to 2070, the adoption of which is expected in late 2017, will define the priority measures and activities for the most vulnerable sectors, such as hydrology and water resources, agriculture, forestry, biodiversity and natural ecosystems, coastal zone management, tourism and human health. ❑

The Paris Convention (COP21) obliges states to the implementation of ambitious measures of mitigation and adaptation to climate change,

**15 ADDRESSING
CLIMATE CHANGE**

and the success of the implementation of its objectives will depend on the success of the encouragement to action of all stakeholders in society. Urban areas, which play a significant role, will need to adopt and implement their specific objectives in the field of climate change. ❑ Some Croatian cities have also become involved in the European Union's Mayors Adapt initiative, or the new Covenant of Mayors for Climate and Energy, which links numerous local and regional authorities that voluntarily undertake to reduce CO₂ emissions by at least 40% by 2030, and to adopt an integrated approach to mitigation and adaptation to climate change.

EXAMPLE OF GOOD PRACTICE

Within the project *Stimulating Energy Efficiency in Croatia* and the project *Energy Management System in Cities and Counties in Croatia* (or SGE project), we have seen introduced systematic energy management in cities and counties aimed at implementing a model of continuous and systematic energy management, strategic energy planning and sustainable management of energy resources at local and regional levels.

**16 DISASTER RISK
REDUCTION**

Major accidents and disasters are a major social, economic and economic burden for the Republic of Croatia. According to the data from the valid Risk Assessment of the Republic of Croatia from natural and technological disasters and major accidents, damage caused by natural causes from 1980 to 2002 amounted to approximately 4.6 billion euros. ❑

Therefore, in 2015 the Government of the Republic of Croatia adopted the Decision on the Risk Assessment of Disasters in the Republic of Croatia. For the purpose of the Risk Assessment, 11 risks were selected and an analysis of preliminary scenarios was made: 1. Diseases of plants; 2. Diseases of animals; 3. Extreme temperatures; 4. Epidemics and pandemics; 5. Industrial accidents; 6. Floods caused by spilling over of inland water bodies; 7. Earthquake; 8. Open fires; 9. Snow and ice; 10. Drought; and 11. Salinization of land. In processing each of the scenarios, the impact of climate change on an individual risk was also taken into account. The assessment was carried out not only to highlight environmental changes resulting from climate change, but

particularly to highlight the importance of the connection between climate change and disaster risk, as well as to define adaptation to climate change, in these terms, also through specific public policies for reducing disaster risk. ❑

The adoption of this document will start the process of change in the activities of the system of civil protection, in a way that will gradually shift the focus of activities from the capacities to respond to strengthening governance/risk reduction. Risk assessment will be followed by the development of the Strategy for Disaster Risk Reduction as well as capacity building for risk management. ❑

The Government of the Republic of Croatia, on the basis of the first priority of the Hyogo Framework for Action, established the Croatian platform for disaster risk reduction, as well as a multi-sectoral forum that serves for sharing experiences, providing input, proposals and achievements that contribute to disaster risk reduction. The main goal of the Croatian platform is to make the policy of disaster risk reduction a national and local priority, with a strong institutional basis for its implementation. Its function is to be the coordination mechanism for introducing disaster risk reduction into development policy, plans and programs, in accordance with the Sendai Framework for disaster risk reduction 2015-2030. ❑

Within the system of civil protection, a special organizational and implementation framework was established, one under which specific obligations are defined for all available capacities for action in case of disaster. As such, local governments are required to draw up Risk Assessments of Major Accidents, as the basic documents for the development of risk reduction strategies. Activities and measures to reduce the risks arising from the documents form the basis of sustainable development of cities and municipalities. In addition to legal obligations, cities and municipalities are given the opportunity, through training and workshops, to become more familiar with initiatives such as Campaign to Strengthen the Resilience of Cities: My City is Being Prepared, and tools such as the Self-Assessment of Local Self-Governments, all with the purpose of understanding the importance of the inclusion of disaster risk reduction in development programs. Currently, the campaign includes five Croatian cities: Dubrovnik, Pula, Varaždin, Bjelovar and Zagreb. ❑

**16 DISASTER RISK
REDUCTION**

Having recognized the importance of disaster risk reduction, counties and county seats are establishing an association, the Platform of Croatian Counties and Cities for Disaster Risk Reduction, for members to get connected, coordinated, empowered and to operate jointly for better mutual cooperation, easier exchange of experiences, ideas, joint projects and activities, and mutual support and practical assistance in preventing and reducing the risk of and response to disasters.

**17 REDUCING TRAFFIC
CONGESTION**

At the strategic, legislative, economic, financial and promotional level, the Republic of Croatia has so far undertaken a number of activities for the greening of fuel and vehicles. Preference is given to policy incentive measures that include the use of economic instruments, information, promotion and education. ■

For this purpose, measures are being implemented, but also planned, so as to instigate the development of infrastructure for alternative fuels, with a focus on urban areas, so as to promote the use of alternative fuels in public transport, the promotion of intelligent and integrated transport systems in cities, the development of intermodal transport of cargo and passenger traffic, the use of alternative fuels in transport, replacement of existing or purchase of new, more efficient vehicles and vehicles on alternative fuels. ■

The law on the Promotion of Clean and Energy-efficient Vehicles in Road Transport, adopted in 2013, prescribed that the public sector must, in the acquisition of new vehicles, take into account energy and environmental impact, and it includes all public procurement actors, as well as carriers in regular public passenger transport. When purchasing a vehicle for road transport, they are required to take into account energy consumption, carbon dioxide emissions and emissions of certain other pollutants, as well as give priority to environmentally more acceptable ones. Furthermore, cities and municipalities receive subsidies for the greening of public transport. Given that the reduction in emission can also be achieved through the eco-

nomical and ecological management of vehicles, eco-driving projects are being carried out for professional drivers and private individuals. ■ The co-funding of procurement of electric and hybrid vehicles, as one of the key measures in encouraging energy efficiency in transport, promotes the use of hybrid and electric vehicles. To encourage cleaner transport in Croatia and reduce air pollution in 2014, the We Drive Economical project was launched to award grants to citizens and companies for the purchase of electric and hybrid cars and electric scooters, motorcycles and quad bikes. In 2014 and 2015, EUR 6.6 million of incentive was granted for the purchase of energy-efficient vehicles. In addition, in the context of the National Action Plan for Energy Efficiency, measures are being taken to introduce the system of public bicycles to cities and municipalities, as well as to introduce software solutions that contain road system databases. Their implementation is aimed at raising energy efficiency levels in cities and equipping existing traffic lights or installing new ones with an indicator for red light duration.

AIR POLLUTION**18**

As a country in transition to a market economy, approaching EU policies and standards in the field of air protection is for the Republic of Croatia extremely demanding and complex, due to substantial differences in starting conditions and national specificities. ■

Air protection in Croatia is regulated by the Environmental Protection Act and the Air Protection Act and a series of implementing regulations adopted pursuant to these laws. The existing legislative framework for the protection of air, as well as horizontal legislation on environmental protection, prescribe a relatively large number of measures and instruments aimed at protecting and improving air quality. Also, based on the obligations arising from international agreements and the EU acquis, a series of implementing plans and programs were adopted in the field of air protection, industrial pollution and related topics such as, for example, renewable energy and energy efficiency. ■

Air quality monitoring is carried out within the framework of the national network for permanent monitoring of air quality and local

18 AIR POLLUTION

networks for monitoring air quality in counties and cities which include measuring stations for special purposes. The past decade recorded a significant increase in the number of automatic stations, primarily due to the development of the national network for permanent air quality monitoring and measurement stations established by the decision on environmental acceptability of interventions in the environment or the decision on integrated environmental protection financed by polluters. Based on the Ordinance on determining zones and conurbations according to levels of air pollution in the territory of the Republic of Croatia, the territory of the State is classified into five zones and four conurbations, according to pollution levels and air quality categories. ❑

Basic indicators of the major pollutant and greenhouse gases emission trend show that, in the previous period, there was a reduction of total annual emissions of sulphur dioxide, nitrogen oxides, airborne particles, non-methane volatile organic compounds, carbon dioxide and other greenhouse gas emissions, mainly as a result of the economic downturn and reduced energy consumption in households, services and transport, but also of air protection measures and instruments. ❑

Under this topic, air protection measures at the local level will increasingly address the transport sector in the future. The standard of living and increased mobility are the causes behind an increasing number of vehicles and kilometers travelled. In the previous period, emissions from this sector stagnated, primarily caused by unfavorable economic circumstances. However, it is to be expected that due to the increase in traffic intensity in urban areas in the coming mid-term, the issue of solving environmental pressures from this sector will be a priority, especially from the standpoint of air pollution by ground-level ozone and airborne particles. For this reason, the Republic of Croatia has been implementing projects of energy efficiency in transport, with the ultimate aim of reducing emissions from transport. ❑

In the region, the Republic of Croatia is at a disadvantage given the problems of eutrophication and ground-level ozone, which, through applying its own measures, it cannot solve permanently on its own. Only a portion of the total deposition and ground-level ozone comes from

its own resources and the common goal to tackle these problems at the European level is being set by implementation of obligations under the Gothenburg Protocol to the 1979 Convention on Long-range Transboundary Air Pollution (LRTAP Convention). ❑

Since the resolution of air pollution problems in the Republic of Croatia depends largely on the reduction of pollutant emissions in other countries, especially neighboring countries, the Republic of Croatia is interested in successful implementation of obligations under international treaties and in cooperation with other countries.

CHALLENGES EXPERIENCED AND LESSONS LEARNT IN THIS AREA

19

A number of challenges in the transport sector of the Republic of Croatia are related to a restrictive policy devised for car traffic in urban areas, and are to be resolved through providing numerous high-quality alternatives that will contribute to changes in behavioral patterns and the raising of public awareness. Changes in the market of vehicle manufacturers are increasingly spearheaded towards the development and commercialization of electric vehicles, which need to be supported at the national level through infrastructure development and tax cuts for this vehicle type. ❑

Challenges also become more evident through the more intensive utilization of EU funds, which will provide finances for investment in non-road modes of transport (railway infrastructure, inland waterways and city ports). At the level of urban centers, it is necessary, as previously, to invest in successful and promising measures of driver training for eco-driving, encourage the establishment of the cycling transport infrastructure, develop infrastructure and the intermodal, cargo and passenger transport, promote intelligent and integrated transport systems in cities, increase public urban transport and systematically increase the application of liquefied petroleum gas, compressed natural gas, biofuels and electric and hybrid drives. ❑

**19 CHALLENGES
EXPERIENCED
AND LESSONS
LEARNT IN
THIS AREA**

Urban areas, in particular central parts of larger cities, are faced with microclimate changes. These changes are mostly a result of activities being carried out in these cities, or are in part a result of the density of construction and the unfavorable ratio of built to natural surfaces. In addition to air pollution, the main characteristics of the changed urban microclimate are: higher average temperatures, greater diurnal heating of surfaces and reduced possibility of nocturnal cooling and, consequently, changes in precipitation patterns and intensity of winds. Increased temperatures entail a series of direct consequences such as disturbances in water supply (for drinking, but also due to increased watering), increased health problems of the at risk population, impact on the energy system (air-conditioning), and changes in vegetation. Increased intensity and frequency of precipitation, which is not accompanied by sufficient infrastructure capacity and/or the existence of larger absorbing surfaces, bring about local flooding in towns and, not infrequently, result in the emergence of avalanches and landslides. The impact of the microclimate of urban areas, as well as the mutual impact of global climate change and urban microclimate, are still insufficiently explored areas. However, extensive studies are being conducted in order to understand the interrelations of climate impacts, economic activities, land use, traffic and construction density in the planning of resilient and adaptable cities.

**20
FUTURE CHALLENGES
AND ISSUES IN THIS
AREA THAT COULD BE
ADDRESSED BY A NEW
URBAN AGENDA**

When planning development and investment in infrastructure in the fields of energy, transport and ICT at the level of cities and local and regional communities, it is necessary to analyze the possibility of establishing integrated solutions which would link these sectors. The integration of the advanced ICT technologies with the energy and transport systems allows for achieving multiple positive effects that contribute to the low-carbon development of local and regional communities. Through integration projects, it is necessary to establish strategic partnerships between communities and the industry and become familiar with the capabilities of today's technology. The holistic approach is required for project planning. ❖

Innovative solutions should be sought through alternative forms of energy, enhanced public transport, efficient logistics and planning, increased energy efficiency of buildings and populated areas, increased share of renewable energy sources and improvement in the overall efficiency and sustainability of the system in cities. ❖

20 FUTURE
CHALLENGES
AND ISSUES
IN THIS AREA
THAT COULD BE
ADDRESSED BY
A NEW URBAN
AGENDA

Particular emphasis is put on the need for investment in the development of intelligent and integrated urban and public transport systems, which encompass the development of urban cycling infrastructure, optimization of urban logistics in freight transport, intelligent management of public transport and parking areas, and encouraging technical innovation in urban transport aimed at reducing greenhouse gas emissions. It is of particular importance to ensure the development of infrastructure and create opportunities for the use of alternative fuels in public transport. ¶

The response to climate change at the level of villages is to a large extent linked to the efficiency of the urban infrastructure system (drainage, public transport, water supply, etc.) and the adoption of appropriate spatial standards and conditions that are realized through the implementation of spatial development plans. This, for example in the case of extreme precipitation, involves technical and infrastructure solutions that will be capable of sufficiently mitigating negative consequences (floods etc.), the dimensioning of infrastructure installations to extreme precipitation and other climate change, as well as the formation of absorbing surfaces, such as green surfaces in residential areas, public parks, etc. ¶

Responses to climate change in urban areas are closely linked to the planning of green infrastructure, the planning of the ratio of built structures to natural and planted areas, the

greening of landslides, appropriate infrastructure capacity, the establishment of surface reservoirs with a dual regime of use (e.g. planning leisure areas that are activated as a retention in case of flooding) and the like. ¶

Existing initiatives and future priorities that cities emphasize, including enhanced energy efficiency in public buildings, are a transition to systems of eco public lighting based, incentives to improve household energy efficiency, including insulation, installation of solar cells, installation of heat meters, etc.



4

**URBAN GOVERNANCE AND
LEGISLATION: ISSUES AND
CHALLENGES FOR A NEW
URBAN AGENDA**

21 IMPROVING URBAN LEGISLATION

The Law on Local and Regional Self-Government regulates units of local and regional self-governments - counties, municipalities and cities, their competences and organization, their mode of work, supervision over their bylaws and work, as well as other issues important for their work. ❖ It stipulates that municipalities and cities within the scope of their self-government competences conduct activities of local importance which directly exercise the needs of citizens, and which are not assigned by the Constitution of the Republic of Croatia or laws to the national authorities, especially activities related to the development of settlements and housing, spatial development planning and urban planning, utility management, child care, social welfare, primary health care, pre-school and primary education, culture, physical culture and sports, consumer protection, protection and improvement of the natural environment, fire protection and civil protection, traffic in their area and other activities in accordance with special laws. ❖ A county's self-government scope covers activities of regional significance, in particular affairs related to education, health care, spatial and urban planning, economic development, transport and transport infrastructure, maintenance of public roads, planning and development of a network of educational, health care, social and cultural institutions, the issuance of location and building permits, other documents related to construction, and implementation of spatial development planning documents for the county outside the area of a large city, as well as other activities under special laws. ❖ Within its competences, the representative body of a municipality, city and county renders decisions and adopts other general bylaws in accordance with its statute. ❖ General bylaws that representative bodies adopt are local regulations applicable to the area of the municipality, city or county, and they must comply with laws governing certain matters, including urban planning legislation. All central government bodies, each within its scope of competences, supervises the lawfulness of general bylaws of a representative body. ❖ Three new laws were adopted in 2014 governing

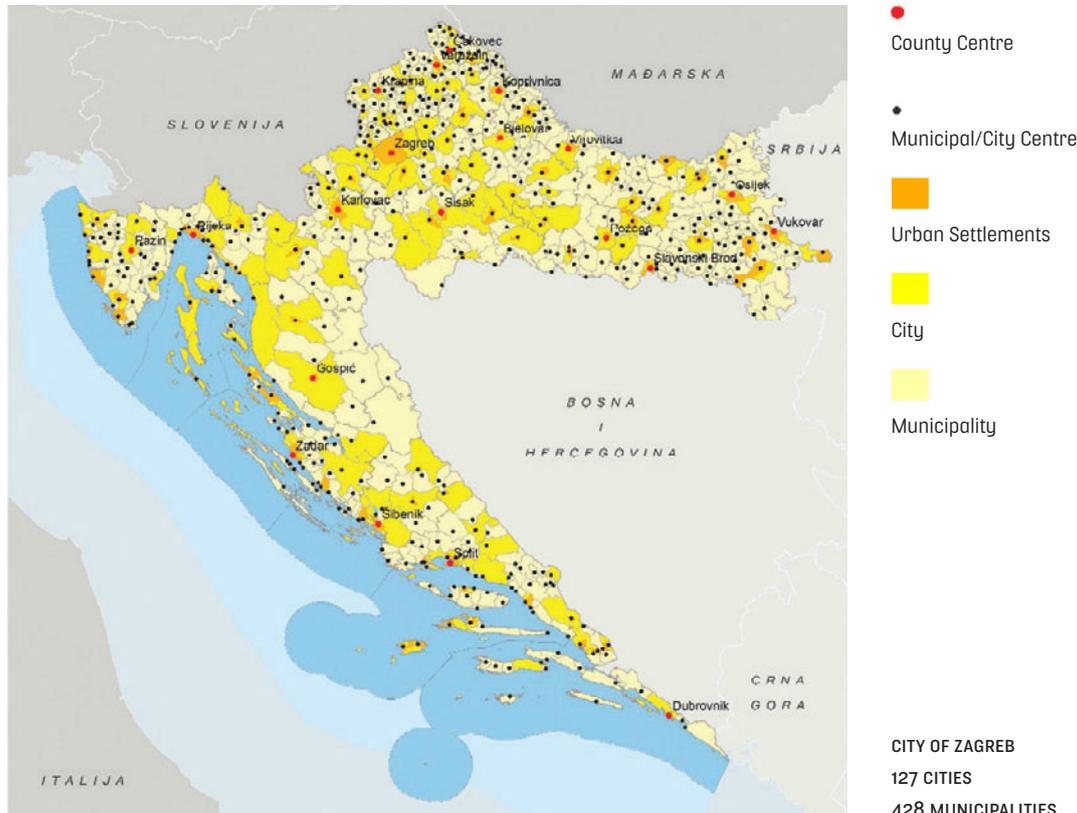
three administrative areas in the area of spatial development planning, aimed at improving the system of spatial development planning and accelerating the development and adoption of spatial development plans and issuance of building permits. The laws are: the Physical Planning Act which regulates spatial development planning, the Building Act, which regulates matters related to construction, and the Building Inspection Act, which regulates the proceedings of construction inspection and supervision of construction. The Physical Planning Act has reduced the system of spatial development planning to three levels - national, regional and local. It also shortened and simplified the drafting and adoption of physical plans, while spatial development plans at all three levels have now become implementing plans, thus making them grounds to directly issue implementation regulations. All this represents a simplification when compared with procedures prescribed by the previous Act.

DECENTRALIZATION AND STRENGTHENING OF LOCAL AUTHORITIES 22

The Local and Regional Self-Government Act specifies that communities and cities are local self-government units. In principle, municipalities are considered a rural type of local self-government unit, while cities are considered urban local self-government units. ❖ The Republic of Croatia currently has a total of 576 local and regional self-government units, of which 555 are local self-government units, 20 regional self-government units or counties, and the City of Zagreb, which being the capital of the Republic of Croatia holds a special status of both city and county. Of a total of 128 cities, 25 cities (17 cities with more than 35,000 inhabitants and 8 cities which are county centers with less than 35,000 citizens) have the powers of a large city. ❖ Even though the system of local and regional self-government units and the determination of their competences and financing were established back in 1993, a partial decentralization of certain functions was not to begin until 2001. The process of differentiation of the local

**ADMINISTRATIVE
TERRITORIAL
ORGANIZATION**

Source: State Geodetic Administration, Central Registry of Territorial Units, 2014

**22 DECENTRALIZATION AND
STRENGTHENING OF LOCAL
AUTHORITIES**

self-government units started in 2005 with the introduction of large cities. The Framework Program of Decentralization for the period of 2004-2007 failed to achieve the desired results, and only a minor part of public affairs came under decentralization. The Guidelines and Principles for Functional Decentralization and Territorial Reorganization were adopted in mid-2010. The main goal of the local self-government reform was to provide better and more rational and efficient rendering of services, and to improve the availability, speed, quality and price of the services offered by the bodies of local self-governments. The process planned by this reform failed to produce the desired results. ❏

Regardless of previous steps, the current legal framework still does not provide clear and entirely consistent criteria of the scope and/or responsibilities to differentiate cities and municipalities. ❏

In June 2015, the Croatian Parliament adopted the Strategy for Development of Public Administration for the period of 2015-2020, a comprehensive document that provides the framework for

the development of public administration aimed at improving the administrative capacity and organization of public administration. Among its objectives, there is also a rationalized system of local and regional self-governments, including a measure to define the model of functional and fiscal decentralization. ❏

As a component of a comprehensive public administration reform, in February 2016 the Government of the Republic of Croatia adopted the Decision on the Implementation of Reform Measures for Improving the System of Public Administration, which included three objectives: efficient public administration focused on end-users, human resources developed for an efficient public administration, and computerized high-quality public services. These reform goals belong among the main goals and reform priorities from the National Reform Program of the Republic of Croatia, which describes measures to address structural challenges faced by the Republic of Croatia, in accordance with the recommendations of the EU Council. ❏

Spatial development planning is under compe-

22 DECENTRALIZATION AND STRENGTHENING OF LOCAL AUTHORITIES

tence of the units of local and regional self-government, and encompasses streamlining of spatial development, adoption of spatial development plans, acceptance of reports on the state of the space, prescribing of detailed criteria and conditions which govern land use and spatial distribution of buildings in relation to preservation and usage of natural and cultural values and goods of local importance, planning interventions in the area of the county and areas of local importance, implementation of measures for the realization of spatial development plans, implementation of measures for active land management and infrastructure development of construction land, and running the Information System of Spatial Development Planning. Exceptionally, for counties and large cities defined by special law, spatial development planning also includes the issuing of location and building permits, certificates for land lot surveys, the decision on determining a construction lot, and certificates of occupancy.

23 IMPROVING PARTICIPATION AND HUMAN RIGHTS IN URBAN DEVELOPMENT

The National Program for the Protection and Promotion of Human Rights is a strategic document of the Government of the Republic of Croatia, and was adopted as a result of the commitments made by the Republic of Croatia following the recommendations of the UN Vienna Declaration (1993) on the development of national action plans to protect human rights. Through the established priority areas, it proposes measures at the local, regional, national and international levels to protect, promote and improve human rights in the Republic of Croatia, as well as to raise public awareness about the importance of the recognition and exercise of human rights. ¶

Any form of discrimination is prohibited by the Anti-Discrimination Act, which in 10 areas lists 17 grounds on which discrimination can be committed. These 10 areas are: labor and working conditions; education, science and sports; social

security; health care; justice and administration; housing; public information and the media; access to goods and services and their supply; membership and activities in trade unions, civil society organizations, political parties and other organizations; and participation in cultural and artistic creation. ¶

With the aim of suppressing racial and other types of discrimination, in 1990 the Constitution of the Republic of Croatia introduced into the Croatian state and legal system the institution of the Ombudsperson, the central body for suppressing discrimination, as a plenipotentiary of the Croatian Parliament for the protection and promotion of human rights and freedoms. The institution of the Ombudsperson is autonomous and independent in its work, having the highest status of independence. It was confirmed in 2013 by the International Coordinating Committee of National Human Rights Institutions (ICC NHRI), which acts under the Office of the UN High Commissioner for Human Rights. In 2014, the Ombudsperson established its first three regional offices in in Rijeka, Osijek and Split. The Human Rights Council is an advisory body and proposes to the Ombudsperson strategic guidelines in the field of promoting human rights and freedoms, as well as advancing cooperation with civil society, the academic community and the media. ¶

With the aim of eliminating discrimination against women and establishing genuine equality, the Office for Gender Equality of the Government of the Republic of Croatia continuously monitors the implementation of the National Policy for Gender Equality 2011-2015. ¶

The objective of the Office for Human Rights and National Minorities of the Government of the Republic of Croatia is to improve the protection of human rights and the rights of national minorities in the Republic of Croatia. ¶

In exercising the constitutionally guaranteed right to local self-government and administration, citizens decide on needs and interests of local significance, especially on the development and protection of space. The process of adopting spatial development planning documents at all levels encompasses, under the law and regulations, all users of space. This ensures the necessity of including both the population and local authorities when rehabilitating consequences of previous sustainable development, as well as determining its trajectory in the future.

24 ENHANCING URBAN SAFETY AND SECURITY

With the goal of fostering mutual co-operation among all socially responsible entities, the Councils for the Prevention of Crime have been established since 2003 in the Republic of Croatia at the level of counties, cities and municipalities, and in larger cities also at the level of local self-government - city neighborhoods and urban districts, as based on the model of other European countries. Their goal is to act jointly to prevent crime and foster urban security. ❖

The Councils for Crime Prevention are cross-sectoral coordination bodies bringing together representatives of local/regional authorities, the police, the private sector and civil society organizations. Their task is, as a partnership body in the local community, to strive to increase the general state of security by implementing preventive activities, preventing harmful behavior, reducing citizens' fear of crime, and raising the overall quality of life through the joint and coordinated work of the entire community. The issue of security is not a prerogative of police and law enforcement agencies. This issue should be addressed by all who live or work in certain areas: representatives of local and regional self-governments, individual businesses, civil society organizations and other services and socially responsible persons who are in charge of, or may contribute to, the security situation at the local level. Therefore, besides police representatives, the Council for Prevention also includes delegated representatives of other relevant state institutions, local and regional self-governments, associations, media, youth councils and others. ❖

Since 2003, a total of 225 Councils for Crime Prevention were established in the Republic of Croatia, of which 114 at the level of cities and counties and 111 at the level of municipalities and city neighborhoods and urban districts. ❖ The City of Solin, the first city to establish a Council for Crime Prevention in 2006, today has its adopted 2015-2017 Strategy for Crime Prevention, the priorities of which are: safety in public spaces, safe schoolyards and kindergartens, prevention of domestic violence, prevention of bullying and modern types of addiction through an active community, and culture of security. ❖

The 2014-2017 Urban Security Strategy for Zagreb provides a framework for collaborative activities aimed at creating a community where people will feel safe and will get involved by not only acting proactively to increase a sense of security within the community, but will also develop the community they belong to. At the same time, the Strategy provides a comprehensive framework for the governance of the City of Zagreb in solving crime and security issues, both in the central business area and in peripheral areas of the City. The strategy outlines six principles that lead to achieving the set goals: increasing the citizens' actual and perceived sense of security, reduction of all forms of crime and antisocial behavior in the community, improving the quality of public areas and municipal tidiness, citizens' participation in the achievement and maintenance of urban security and crime prevention, an active partnership between relevant stakeholders of urban security and crime prevention, as well as the creation of sustainable models of crime prevention and the increase of urban security in the City of Zagreb. The principles are also a tool for achieving the goals, as a causal relationship exists. Their results, ultimately and expectedly, contribute to the community's security. Priorities for action are determined as based on research of the needs of citizens as end users; actions are preventive and specifically aimed at reducing crime and antisocial behavior, without neglecting security issues in any field of the citizens' public life. ❖ Likewise, the Strategy has recognized and emphasized the need to focus activities on improving the quality of public areas in the City of Zagreb through good urban design that actively affects crime prevention. This is to be conducted through the planning and design of public spaces, a comprehensive approach and the proactive role of video surveillance over wrongly parked vehicles, protection against graffiti and rapid removal of graffiti vandalism, review of security measures in urban neighborhoods, high quality cleaning services, improved street lighting and reactivation of traffic lanes and public parks.

EXAMPLE OF GOOD PRACTICE

A bicycle patrol pilot project is being conducted in the City of Zagreb area. A total of 26 police officers (18 in the area of the City of Zagreb and 8 in the area of Zagreb county) perform their duties through police bicycle patrols. The police officers' experience has thus far shown positive

results. This method of police work simultaneously promotes the local community, cycling and a healthy lifestyle, as well as raising the level of urban safety along with environmental protection.

25 IMPROVING SOCIAL INCLUSION AND EQUITY

The Constitution of the Republic of Croatia guarantees equality to all its citizens. The Anti-discrimination Act and the Constitutional Act on the Rights of National Minorities provides protection from discrimination on grounds of race or ethnic origin, skin color, gender, language or religion. ❏

The fundamental document for resolving the issues of poverty and social exclusion, along with ensuring a minimum standard for the most vulnerable part of society and prevention of new occurrences of poverty and social exclusion, is the Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia (2014-2020), complementary to the European Platform against poverty and social exclusion. Its objectives are aligned with the objectives of the European Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020 – and are connected with the Millennium Development Goals. The Strategy considers four major groups with the highest risk of poverty and social exclusion: children and youth, the elderly and pensioners, the unemployed and people with disabilities. In the area of *housing*, the Strategy lays down these main strategic activities: improving the residential tenancy system; support for shelter and emergency accommodation programs; efficient energy management in the construction industry; enhancing the standards of vulnerable groups housing; housing improvement in underdeveloped and demographically vulnerable areas of Croatia, and others. ❏

The Constitution of the Republic of Croatia guarantees equality between members of national minorities and citizens of Croatian nationality and the exercise of national rights in accordance with the democratic standards of the United Nations and free world countries. They exercise the majority of their ethnic rights through regular institutions of the Republic of Croatia, in the same manner as the majority Croatian people, which ensures protection against assimilation

and ghettoization and enables development of the cultural and national identity aimed at their integration into Croatian society. ❏

The Roma are one of the most vulnerable groups in the Republic of Croatia and are marginalized economically, physically, culturally and politically to a greater or lesser extent. Therefore, the Republic of Croatia has adopted a number of documents the implementation of which enables raising the quality of life of the Roma and shrinking inequality of socioeconomic status between the Roma and the rest of the population. ❏ The implementation of the program for the Integrated Physical, Economic and Social Regeneration of Small Town Areas Affected by Poverty and Social Exclusion aims to: reduce social inequality, exclusion and poverty; improve infrastructure, increase the attractiveness of living conditions and potential investments, and foster active participation of the population of these areas in economic and social life. The Program's pilot phase will be carried out in five small towns in war-affected areas: Beli Manastir – Darda, Benkovac, Knin, Petrinja and Vukovar. Having taken into account the obligation for one of the pilot areas to be characterized by a significant proportion of members of the Roma minority, the pilot area of the city of Beli Manastir was extended to the municipality of Darda due to its significant Roma population. ❏

In terms of facilitating conditions of mobility for people with disabilities, a regulation has been implemented in the Republic of Croatia for decades, ensuring unimpeded access, mobility, sojourn and work for people with disabilities and people with reduced mobility in public and commercial buildings, and ensuring simple adaptation of residential and residential-commercial buildings. ❏

Since not all regions of the Republic of Croatia have sufficient availability of social services provided to vulnerable groups, social policy emphasizes the promotion of principles of social cohesion and equality, being regarded as fundamental human rights and European values. ❏ The social welfare system is being computerized, which is one of the most important projects in the area of social policy, and the process of unification of social benefits was initiated with the aim of detecting the true social situation within the country, providing the most appropriate social welfare, preventing extreme poverty,

maintaining social integration and preventing social exclusion. In addition, a guaranteed minimum benefit was introduced to better protect socially vulnerable groups with the highest risk of poverty. ❖

To prevent, mitigate and eliminate the causes of social exclusion of homeless people, which is an extreme form of poverty and social exclusion, large cities and county seats provide budgetary funds for meals in soup kitchens and for accommodation in shelters and night shelters. ❖

Aiming for the optimal social integration of youth, the National Youth program 2014-2017 was adopted to work towards fulfilling the needs of young people and raising their quality of life. ❖ In the context of legal migrations, the Republic of Croatia provides on its territory education, work and permanent settlement to foreigners, and in 2013 Croatia adopted the Migration Policy, a very important component of which is the Integration Policy. Special emphasis is given to vulnerable groups of foreigners, such as applicants for international protection, asylum seekers, aliens under subsidiary protection and aliens under temporary protection. Under the Act on International and Temporary Protection, the Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia coordinates the activities of all authorities involved in the process of social inclusion of asylum seekers or aliens under subsidiary protection.

CHALLENGES EXPERIENCED AND LESSONS LEARNT IN THIS AREA

26

Even though the reform of local and regional self-government and of regional development is permanently placed high on the agenda, the process of decentralization was never devised in a comprehensive, clear, coherent and interdisciplinary manner, and decentralization never integrated in a uniformed manner into various sectoral strategies, which is why the Republic of Croatia still resides in the group of highly centralized states. ❖

The governance of all cities and the institutional structure of all local self-government units in the Republic of Croatia are regulated in about the same manner. There is a unique model of city governance, regardless of differences between categories. Local self-government activities are entrusted to administrative departments and offices. Naturally, given the differences in the size of cities, numbers of civil servants also differ. Taking into consideration the low capacity of many local self-government units, especially municipalities and small towns, it is prescribed by law that local self-government units with a population under 3,000 must have

**26 CHALLENGES
EXPERIENCED AND
LESSONS LEARNT
IN THIS AREA**

a single administrative department, since a lack of professionals and employees means a failure to adequately respond to the needs of the administrative unit.

27 FUTURE CHALLENGES AND ISSUES IN THIS AREA THAT COULD BE ADDRESSED BY A NEW URBAN AGENDA

Local and regional self-government has an important role in the management, organization and direct provision of public services to citizens. To achieve a more rational, enhanced and efficient local self-government and to improve the availability, speed, quality and price of services provided to citizens by local self-governments, the Republic of Croatia needs to conduct a reform of the local self-government system aimed at strengthening their administrative and financial capacities and autonomy, expanding the range of activities under self-government jurisdiction, strengthening the self-governments' autonomy in planning, financing and providing services; creating preconditions to delegate certain activities from under the competence of

central state administration to local and regional self-government levels; and contributing to the fostering of local democracy and increased citizen participation in decision-making. The reform comprises three crucial, equally important and interconnected components: functional and financial decentralization, and territorial reorganization. ¶

Local and regional self-governments are expected to be better than the central government at recognizing the public needs and interests of the population living in their area, to provide them with public goods and services and development projects that would suit their preferences and needs. ¶

The process of decentralization and financing of municipalities, cities and counties from the central budget will continue, based on programs aimed at reducing inequality between local and regional self-government units and stimulating their economic growth and development.



**URBAN ECONOMY: ISSUES
AND CHALLENGES FOR A
NEW URBAN AGENDA**

28 IMPROVING LOCAL FINANCE

The Law on Local and Regional Self-governments prescribed that local and regional self-government units have revenues that they may freely dispose with, and that their revenues must be proportional to the legally prescribed tasks performed by their authorities. ¶

The financing of local and regional self-government units is regulated by the Act on Financing of Local and Regional Self-government Units. ¶ Revenues of the local or regional self-government units are municipal, city or county taxes, surtax, fees, contributions and duties; then revenues from the assets in its ownership and property rights; revenues from companies and other legal entities in its ownership or co-ownership through stakes or shares; revenues from fees for concession granted by its representative body; fines and confiscated proceeds of offences it prescribes in accordance with the law; share in taxes shared with the central state; aids and grants of the Republic of Croatia planned in the state budget; other legally stipulated revenues. ¶ At the national level, the Fund for Co-financing the Implementation of EU Projects at the Regional and Local Levels for 2015 was initiated. It uses grants and earmarked funds to help local and regional self-government units in co-financing projects financed from European structural and investment funds. The share of the Fund's financing may amount to between 50% and 90%, depending on the level of development of the local or regional self-government unit as a location of investment. Up to 90% of funds are provided for the least developed municipalities and cities.

29 STRENGTHENING AND IMPROVING ACCESS TO HOUSING FINANCE

Housing is one of the most important components of a society's social development, not only in terms of availability of housing, but also in terms of providing basic standards and quality of housing, as well as enabling that prices are acceptable to all groups of the population. ¶

In the Republic of Croatia, during the period of favorable financial circumstances for granting loans to the population, especially from 2000 to 2008, the scope of construction and sale of new apartments increased. Using long-term loans from commercial banks, apartments were sold to buyers who met the criteria for obtaining housing loans with a repayment period of mainly over 20 years. As a consequence to turbulences in economic trends and the real estate market from 2008 onwards, a number of residents began having issues with regular repayment of their housing loans. This was contributed to by the general economic situation in the wider area, as well as the working population being put at risk due to irregularity of income and employment, which, consequently, brought about the issue of repayment of purchased apartments. ¶

The holder of the housing policy in the Republic of Croatia created several models of the program for state-subsidized housing construction. The programs may be used by all citizens of the Republic of Croatia for resolving their housing depending on their needs, financial status, age and number of family members. ¶

In 2000, the program of State-Subsidized Housing Construction (POS) started its implementation, as an organized way of building apartments with state subsidies and providing utility infrastructure with the co-financing of the local community. POS is aimed at helping a wider range of population resolve their housing needs under terms substantially more favorable than those of the market. Public funds are provided by the Republic of Croatia and local self-government units. POS encompasses the construction of apartments, residential buildings and the construction and refurbishing of residential buildings and family houses. ¶

The program of State-Subsidized Apartment Lease (PON) enables citizens – Croatian nationals – to resolve their housing needs by leasing a newly built POS apartment with a possible buy-out. The lease paid is included in the price of the apartment to be bought. To further enhance the housing system, the apartment leasing system requires further improvements. ¶

The POS program family house loans may be used by all Croatian citizens who do not own an apartment or a family house and who wish to resolve their housing issue through new construction. The program may also be used by

owners of an inadequate apartment or family house who wish to resolve their housing status by expanding their existing or building a new housing unit. ¶

The POS+ program for promoting the sale of newly built apartments on the market provides loans for apartment purchase using public funds and more favorable bank loans. ¶

In addition, the Housing Care Program for Homeland War Victims took place from 1997 until the end of 2015. All financial resources for the Program's implementation were provided from the State Budget. ¶

In the same period, the Housing Care Program for Returnees – former tenancy right holders – provided housing or purchase of a required number of apartments for the purposes of housing care for returnees and displaced persons who lived in state-owned apartments (former tenancy rights holders) in the territory of the Republic of Croatia outside of areas of special state concern. All financial resources for the Program's implementation were provided from the State Budget. ¶

Also, the State Budget provided all the funding for the implementation of the program for Refurbishing and Rehabilitation of Consequences of a Disastrous Flood (2014) in the area of Vukovar-Srijem County – refurbishing of buildings, for a program promoting the sale of apartments and a program promoting the sale of apartments through subsidies and government guarantees for housing loans. ¶

Additionally, beneficiaries of the minimum guaranteed fees from the social welfare system are entitled to compensations for costs of living (rent, utility fees, electricity, gas, heating, water, sewage and other costs), costs of heating, and subsidies for vulnerable buyers of energy (subsidies for electricity costs for vulnerable customers).

30 SUPPORTING LOCAL ECONOMIC DEVELOPMENT

The Investment Promotion Law prescribes incentives for production-processing activities, development-innovation activities, activities of business support and high added value activities, such as: tax cuts for micro, small, medium and

large enterprises; subsidies for the costs of new jobs and training; subsidies for development-innovation activities, activities of business support and high added value activities and others. ¶

Introduced in 2012, the National Promotion Program for Entrepreneurship and Crafts – the Business Impulse – is intended for the development and enhancement of competitiveness of small and medium enterprises. ¶

The Republic of Croatia is a beneficiary of funds from the European structural and investment funds for the objectives of the cohesion policy, agriculture and rural development, and for the development of fisheries. ¶

In addition, programs have been implemented to facilitate investment in small businesses. They are innovative programs used to motivate both private and public sectors to financially support research and development in innovative and technology-oriented companies in Croatia, and to use financing from the European Social Fund, the European Regional Development Fund, and the Cohesion Fund, in connection with the objective *Investment for growth and jobs* under the Operational program *Competitiveness and Cohesion 2014-2020* of the EU for the specific objectives of the Priority Axis *Strengthening the economy by applying research and innovations and Business competitiveness*. ¶

Additionally, there are two types of grants – the state grant and *de minimis* aid – provided by the state or another public authority to a particular entrepreneur or sector. ¶

In order to address the shortage of people with a required level and type of education, *Recommendations concerning education enrolment policy and scholarship policy* are being drafted according to the needs of local labor markets, paying respect to all the particularities of individual areas in the Republic of Croatia. Measures for further education, training and re-training of the unemployed are too being conducted to facilitate re-entry into the labor market for people with insufficient skills or skills no longer in demand. ¶

A part of the 2014-2017 National Youth program is dedicated to youth employment and entrepreneurship, especially for the long-term unemployed, and aims to facilitate the integration of young people into the labor market. Social policies support youth association projects and programs and the training of young people in en-

30 SUPPORTING
LOCAL ECONOMIC
DEVELOPMENT

trepreneurship and self-employment, including social entrepreneurship, the primary objective of which is to contribute to the general welfare of society. This model offers young people opportunities to create innovative solutions for current economic, social and ecological challenges. ¶ Also being planned are projects to support the employment of disadvantaged people through social entrepreneurial activities: support for establishing social enterprises, support for their operations, promotion of the network of social enterprises, support for specialized enterprises for persons with disabilities. ¶

One of the measures for economic development and the promotion of employment at the county and local levels is the creation of business zones through concession of state-owned land to the local self-governments. Even though spatial development plans set out numerous business zones, only some have actually become a reality. Typically, they are at good locations, near settlements with a potential workforce of a certain structure and qualifications, connected with a major traffic route, having the necessary utility infrastructure, eligible for obtaining the necessary building permits, with a likely rapid realization of the investment, etc.

31 CREATING DECENT JOBS AND LIVELIHOODS

A new Minimum Wage Act was adopted within the implementation of the National program of Protection and Promotion of Human Rights, Protection of Rights and Dignity of Workers. It better describes the procedure for determining the minimum wage so as to enable more efficient exercise of economic and social interests of workers with the lowest incomes, and to prevent the risk of poverty of the employed. ¶

The Act on Professional Rehabilitation and Employment of Persons with Disabilities has set up the conditions for employment of persons with disabilities, thus making a direct impact on the social inclusion of people with disabilities and generally increasing the quality of their lives. Also, a new Institute for Expertise, Professional Rehabilitation and Employment of Persons with Disabilities was founded; the quota system for employment of persons with disabilities was ex-

tended to include the private sector; the quota requirements may now also be met through a replacement quota; the financial compensation requirement was determined for employers who fail to meet the quota requirements; and employers are additionally stimulated with pecuniary award when hiring more people with disabilities than the prescribed quota or when hiring a person with disabilities while not being liable under the employment quota. ¶

Measures for target groups and special forms of enterprises are carried out within the program for the Promotion of Entrepreneurship and Crafts, namely: the Program's *Scholarships for Students in Craft Occupations* under the criteria related to the social status of families of students who study for deficit professions, and the program *Lifelong Education for Crafts* which co-finances the taking of examinations on professional competences, the master craftsman's exam, re-training and taking of the apprenticeship exam, entrepreneurship of women, entrepreneurship of youth and beginners, entrepreneurship of persons with disabilities, social cooperatives, entrepreneurship and war veterans cooperatives. ¶

In addition, the plan also includes projects to support the employment of disadvantaged people through social entrepreneurial activities: support for the establishment of social enterprises, support for the business of social enterprises, promotion of the network of social enterprises and support for specialized enterprises for persons with disabilities. There will be continued implementation of projects aimed at preparing the long-term unemployed beneficiaries of social welfare and services within the social welfare system for accessing the labor market. ¶

By 2013, based on the National Strategy on Combating Drug Abuse 2012-2017, measures were implemented to support the establishment of cooperatives of treated drug addicts, which included incentives for entrepreneurial education and the activities of these cooperatives. ¶

Aimed at suppressing black labor market, inspections conduct controls to identify illegal workforce. ¶

Local self-government units have recognized the category of the public, socially useful works, taking place for a limited period, as an extremely useful and necessary category, one which relieves their budgets while at the same time em-

**31 CREATING
DECENT JOBS
AND LIVELI-
HOODS**

ploying the unemployed. Based on the program of Public Works, which is initiated by the local community, civil society organizations and other entities perform various jobs, such as revitalization of public surfaces, home assistance, the youth for the community, and others. ❏

Within this framework, a *Package of measures for the unemployed members of the Roma national minority* is being implemented to integrate the members of the Roma national minority into the labor market through community service, while aiming to mitigate social consequences of unemployment and uplift the motivation of those unemployed to look for jobs.

32 INTEGRATION OF THE URBAN ECONOMY INTO NATIONAL DEVELOPMENT POLICY

Since cities are points of connection, creativity and innovation, but also providers of services to surrounding areas, they have a crucial role as drivers of economic development. The economic power of a city is reflected in the income of its residents and its revenues. ❏

Overcoming the consequences of the economic crisis and increased employment will largely depend on the ability to adapt to new technologies and business conditions and on the requirements in spatial development plans for such adaptation. ❏

The Spatial Development Strategy of the Republic of Croatia, which is being drafted, emphasizes the need to make it possible, through spatial development plans, to realize different models of the supporting and entrepreneurship infrastructure and to actively follow up on new forms of organization of business zones. Investments in

abandoned industrial, military and commercial sites (*brownfield* sites) should be set as priorities in the planning of areas for economic development, at all levels of administration and planning. Active adaptation to business conditions also includes adapting to new entrepreneurial concepts, which are becoming increasingly digital, while in the physical space require new types of spaces provided in spatial development plans.

CHALLENGES EXPERIENCED AND LESSONS LEARNT IN THIS AREA

33

A key challenge for sustainable urban development in the Republic of Croatia is devising attitudes toward the economic, social and environmental challenges with individual benefits being mutual drivers. ❏

However, sustainable urban development in the Republic of Croatia is slowed down by a fragmented administrative division, insufficient cooperation between administrative units and different sectors, and inadequacy of human, technical and financial resources. ❏

One of the greatest challenges for sustainable urban development is a huge shortage of jobs, even in the most active labor markets, which brings about obstacles for the successful inclusion of young people in the labor market, as well as of those people re-entering it. ❏

Major cities bulk large for their high volume of added value services, but in absolute terms they continue to be rather significant manufacturing centers. Outside large cities, levels of industrialization vary greatly, and some cities have a huge volume of jobs in the manufacturing industry. ❏ Some of the more affected cities have recovered

**33 CHALLENGES
EXPERIENCED
AND LESSONS
LEARNT IN THIS
AREA**

poorly after the Homeland War. Despite significant investments already made in these areas, they still have difficult economic conditions and a high unemployment rate. These cities depend heavily on jobs in the public sector. ❏

Businesses in Croatian cities come across unequal access to support for innovations. Most of the nationally significant innovation infrastructure is located in the capital of Zagreb and other cities with larger universities. Elsewhere, the level of support is lower, although there are highly specialized centers, which might be important for the competitiveness of businesses at the local level.

34 FUTURE CHALLENGES AND ISSUES IN THIS AREA THAT COULD BE ADDRESSED BY A NEW URBAN AGENDA

In understanding the potential for future growth, the significant differences between cities should be taken into account. Many cities urgently require more efficient cooperation with the business sector and an understanding of business needs and market opportunities. Due to a lack of the same, cities excessively rely solely on a theoretical vision of development, which not always finds ground in the actual market situation. ❏

City authorities have to shape the future of Croatian cities by integrating strategic investments while adapting the existing capacities to ever-changing opportunities and needs. ❏

Indebtedness of local and regional self-government units is defined at the state level, and it may amount to a maximum of 20% of revenues, without the funds transferred from the

state budget. This does not apply to projects co-financed from EU funds, which mitigates the situation to an extent. However, given the fragmentation of local self-governments into relatively small units and the fact that their revenues mostly derive from their portion in income tax, the co-financing of development projects eligible for grants through the EU Cohesion Policy instruments will remain a major challenge. Even if they succeed in providing funding from EU funds, a large number of city authorities will in the future most likely continue to seek constant financial interventions from the state budget and will also seek funds from other sources to finance development investments. This particularly tackles less developed local self-government units and those with poorly developed social and economic capacities. ❏

Education plays a vital role in responding to the challenges of human resource development for achieving economic growth, employment, social objectives, rapid introduction of new technologies, new processes and new competences. Thus it must be accessible, and pertinent to the needs of individuals, the labor market and society as a whole. Vocational education needs to provide the knowledge, skills and competences that matter to the labor market, but also provide opportunities for further education. To ensure such development of the vocational education system, it is necessary to define mechanisms that will yield the system's rapid response to the changing market demands.



V

**HOUSING AND BASIC
SERVICES: ISSUES AND
CHALLENGES FOR A NEW
URBAN AGENDA**

35 SLUM UPGRADING AND PREVENTION

Although there are no slums in the Republic of Croatia, the quality of life and housing of the Roma has been assessed as being particularly unsatisfactory, especially in the *Roma settlements*, which are marked by a low standard of living, excessive construction and a mostly unmanaged environment which reflects the temporary character of their residence. Therefore, with the objective of integration, improvement of quality of life and decrease of inequality between the socioeconomic status of the Roma and the rest of the population, Croatia adopted at the national level and implemented since 2003 the *National Roma Program, the Decade of Roma Inclusion 2005-2015 Action Plan* and the *National Roma Inclusion Strategy* for the period of 2013-2020. The Strategy aims to help, in a systematic way, the members of the Roma minority in the Republic of Croatia to improve their living conditions, promote and support their inclusion in social life and decision-making processes in the local and extended community, while at the same time retaining their identity, culture and tradition, and to encourage them to assume an active role in changing their position within society. The Strategy also focuses on changing the attitude of the majority population towards the Roma, by promoting the principles of non-discrimination and desegregation. ❖

Even though its features do not belong under the category of slums, illegal construction has characterized Croatian space for more than fifty years. The entire area of the state is affected by illegal construction, with the most endangered areas being fringe areas of the largest urban centers, the entire coastal area and the islands. Its features are improper construction and occupation of space outside the construction area. Illegal construction is an aggressive act, one that abolishes the purpose of planning by violating the existing value of space, overloading the infrastructure, increasing the risk of disasters and preventing planned development. The large-scale illegal construction in Croatia is depicted by the number of applications – a total of 826,948 - submitted for issuing a decision on the as-built state, which legalizes the illegally built houses. The public is not sufficiently sen-

sitized to the numerous negative consequences that illegal construction has on space, thus significantly affecting the quality of life.

IMPROVING ACCESS TO ADEQUATE HOUSING 36

Architectural Policies of the Republic of Croatia 2013-2020, Apolitika, National Guidelines for the Quality and Culture of Building belong to the overall policy of the state, articulating a common interest in the quality of overall space. One of the Apolitika chapters is *Housing*, which, being the most important component of a society's development, and consequently economic development, needs to be a socially regulated and controlled field not only in terms of the availability of housing, but also in terms of ensuring basic housing standards and quality, as well as enabling acceptable prices for vulnerable groups of the population. ❖

Adequate housing means title of a housing unit (apartment or family house) which is furnished with appropriate infrastructure (drinking water supply, sewage, electricity and others) and meets the sanitary and technical conditions for healthy living, sized at about 35 m² of floor-space per person plus 10m² for each additional person. ❖

The last census, in 2011, reported 1,923,000 housing units, of which 1,496,558 were for permanent residence. Housing units are predominantly in private ownership – 89%. ❖

The Republic of Croatia implemented in the period from 1991 to 2015 a number of programs and projects for providing availability of adequate housing. ❖

The program of state-subsidized housing construction (POS) is carried out through the construction of apartments or residential buildings, and its organization is aimed at a purposeful utilization of public and other funds to cover for the costs, ensuring repayment of these funds and enabling the sale of apartments in installments, under interest and repayment conditions more accessible than market conditions. Public funding is provided by the Republic of Croatia and local self-government units. With payment possible in installments, construction of apartments for sale is subsidized from public funds to

**36 IMPROVING
ACCESS TO
ADEQUATE
HOUSING**

resolve the housing needs of Croatian citizens and to provide to local self-governments and other legal entities seated in Croatia the apartments for lease. ¶

The POS+ program for promoting the sale of newly built apartments on the market provides loans for apartment purchase using public funds and concluding and monitoring of the implementation of loan agreements in cooperation with commercial banks and housing savings banks. ¶ The POS Family House Financing program may be used by all Croatian citizens who own no apartment or family house and who wish to resolve their housing status through new construction. The program may also be used by owners of an inadequate apartment or family house who wish to resolve their housing status by expanding their existing housing unit or building a new one. ¶

The program of State-Subsidized Apartment Lease (PON) enables citizens – Croatian nationals – to resolve their housing needs by leasing a newly built POS apartment with a possible buyout. This program envisages up to 5 years lease of newly built apartments, and if within this period the tenant decides to buy the apartment, the lease paid until that moment will be included in the price. ¶

Housing care in the areas of special state concern is provided to achieve a more balanced development of all areas of the Republic of Croatia, to promote demographic and economic progress, to complete the restoration program, to bring back the pre-war population and to provide permanent housing by means of the program of construction and restoration of damaged family houses and the program of housing care in the areas of special state concern. The program uses different models: leasing state-owned family houses or apartments, leasing a damaged state-owned family house and the provision of construction materials, donating state-owned land and construction material for the construction of a family house or donating state-owned land for the repair, restoration and upgrade of a family house or apartment, building a family house on construction land owned by the applicant, donating state-owned construction land and construction material for the construction of a residential unit in a residential building, donating a state-owned family house or apartment, and donating state-owned construction land. ¶

The housing care program for Homeland War victims was conducted following the identification of housing needs of the victims of the Homeland War. Local self-government units (cities and municipalities) were obliged to provide land with infrastructural levels of development appropriate for the construction of apartments. Housing needs of 100% disabled (Group 1) Croatian war veterans were provided for through construction of specially adapted family houses. Besides the construction project, there was also a project of adaptation for building accesses and apartment rooms appropriate for movement using a wheelchair and other orthopedic devices for the needs of HRVI. ¶

Through the Housing Care Program for Returnees – former tenancy right holders in apartments outside of the areas of special state concern – apartment construction is organized or apartments purchased for the housing of returnees who had no ownership of a house or apartment and lived in state-owned apartments (former tenancy rights holders) in the territory of the Republic of Croatia outside of the areas of special state concern. ¶

Following the disastrous floods that hit Vukovar-Srijem County, a restoration and rehabilitation program was launched, with the restoration of buildings beginning in May 2014. Structural damage to 2,689 family homes along with 4,713 auxiliary buildings and outbuildings, as well as 32 public buildings, was estimated at HRK 1.17 billion, not including damage to agriculture and infrastructure. By May 2016, the State had restored or built a total of 1,078 residential buildings and 40 public buildings, primary schools and outpatient clinics. ¶

Subsidies for the sale of apartments were provided under the Act on Housing Sale Subsidies starting from April 2010 until adoption of the Act on Subsidies and Government Guarantees for Housing Loans in 2011, in effect from March 2011 until the end of 2012. This provided loan subsidies to citizens permanently residing in Croatia, eligible for a housing loan under a commercial bank's terms, for loans taken from commercial banks for resolving their housing needs. ¶

Additionally, local self-government units pay special attention to social groups of people with no accommodation, by leasing the apartments in their ownership or possession primarily to specified social groups of people, subject to pre-

**36 IMPROVING
ACCESS TO
ADEQUATE
HOUSING**

scribed conditions. The lease paid by tenants may either be subsidized or freely contracted. ❑ A particular challenge is the implementation of housing care programs for particularly vulnerable groups of returnees and refugees in the process of returning, and whose very position exposes them to a very high risk of social exclusion, particularly because their return evolves amidst profound changes, in very sensitive conditions of negative demographic processes, aging of the population and neglected development of certain areas. In this case, new concepts are being applied, such as fostering active cooperation with local self-government units, regional self-government units, public authorities and international representatives, so to, through their openness and mutual connections, provide support for the resolution of refugee issues. In these terms, notable are the positive experiences of returnees to cities and rural areas, which is considered an indispensable course of action towards balanced development and revitalization.

37 ENSURING SUSTAINABLE ACCESS TO SAFE DRINKING WATER

The total amount of renewable water sources is 35,200 m³ per capita. Nearly 90% of the total amount of water supplied to cities and settlements comes from the underground, which emphasizes the importance of protection of groundwater resources. Determining and protecting strategic groundwater reserves will ensure that the needs for public water supply in the entire territory of the Republic of Croatia are met in the long term. Therefore, their protection and use are the supreme national interest. Inclusion of these sites in spatial development plans and definition of their protection will ensure the pre-conditions for proper use of these sites, both in terms of water management activities, as well as all other activities that may jeopardize the preservation of this very important resource. ❑ Connection to the public water supply system has not yet been fully realized, and it amounts to around 84%. The water supply network at the county level is unevenly developed, which depends primarily on the development of a county

and the degree of urbanization. Residents who are not connected to public water supply systems are supplied with water from so-called local water supply systems or from individual water intake structures (wells, reservoirs), where systems for water quality control are not established and quality control is conducted following the user's needs and assessments. ❑ Seventy water supply areas are identified on Croatian territory. There is a total of 176 water suppliers and 589 water wells. A part of the population is connected to local water supply systems. However, their number is continuously decreasing, as connections to the public water supply are rising. The transition period is planned by 31 December 2018. ❑ According to the data from *Hrvatske vode*, the Croatian Water Management Agency, there are records of some 500 active water intake structures serving the needs of the public water supply, mostly from groundwater. ❑ Although the population is not expected to grow in the next fifteen years, an increased need for water will derive from the increasing number of household connections to the public water supply systems. In tourist areas, the need for water is expected to increase due to an expected increase in the number of tourists as well as categorical upgrades of tourist services.

ENSURING SUSTAINABLE 38 ACCESS TO BASIC SANITATION AND DRAINAGE

Waste management and the efficiency of waste management in the Republic of Croatia are ensured by prescribing waste management measures. Local and regional self-government units are required to provide conditions for and implement the prescribed waste management measures in their area. A local self-government unit has to provide a public service to collect mixed and biodegradable municipal waste, to separately collect waste paper, metal, glass, plastic and textile, as well as bulky municipal waste, prevent improper waste disposal and remove waste disposed of in such a manner, implement

the Waste Management Plan of the Republic of Croatia, adopt and implement the waste management plan of the local self-government unit, or the City of Zagreb as the case may be, to conduct educational and information activities in its area and possibly conduct actions of waste collection. The implementing authorities at the state level are the Croatian Agency for Environment and the Environmental Protection and the Energy Efficiency Fund. ❏

At present, a new six-year Waste Management Plan of the Republic of Croatia is being developed, which will define and streamline waste management and, based on analysis of the current situation and waste management objectives, as well as the objectives of individual waste management systems for special categories of waste, determine measures for improving the procedures of preparation for reuse, recycling and other waste recycling and disposal procedures in the Republic of Croatia. ❏

Given that waste disposal is still one of the main methods of waste management in the Republic of Croatia, the main challenges to achieving the objectives set by the European Commission are to increase the percentage of recycling and preparation for the reuse of municipal waste (50% by 2020), to gradually reduce the disposal of biodegradable municipal waste and gradually reduce the amount of the waste disposed of on unmanaged landfills. ❏

Wastewater collection, processing and reutilization have not yet been realized to a satisfactory degree, which further increases the risk of contamination and supply shortages of drinking water. The level of coverage of the public sewage system is on average 47%. Purification of wastewater covers about 35% of the population or about 60% of the population connected to the public sewage system. Between counties, and especially between cities and municipalities, there are notable differences in the level of coverage with sewage systems. Typically, settlements with larger populations have better public sewage coverage. The transition period is planned by 31 December 2023. ❏

The construction of wastewater treatment systems is a delicate task for any conurbation or settlement. High standards of environmental protection require adequate technology, with caution exercised in relation to soil characteristics, particularly in karst areas. ❏

IMPROVING ACCESS TO CLEAN DOMESTIC ENERGY

39

Electric power, as the primary energy system of the Republic of Croatia, is supplied to approximately 95% of consumers, which is a satisfying supply level. The distribution system is dominated by an above-ground network, with a tendency in urban areas to move the network underground, most frequently in road corridors. Other sources of energy are used in a much smaller share, and their spatial requirements are resolved by building underground and in the existing infrastructure corridors. ❏

Within the electric power system, electric power is produced mainly in conventional power plants – large hydroelectric and thermal power plants – and to a lesser extent in industrial power plants and small dispersed sources, including small hydroelectric power plants. The largest number of hydroelectric power plants operating today was built between 1950 and 1980, and the largest number of thermal power plants between 1969 and 1978. Over the years, their capacity has been upgraded, but given the expected lifetime, this system's structure and technology require revitalization. ❏

The construction of wind farms has recently intensified, and in October 2013 there were 14 of them connected to the transmission and distribution network, with 254.45 MW of total installed power. ❏

The development of energy policy in the Republic of Croatia was also influenced by the EU accession process, so the goals of energy development were aligned with strategic EU objectives regarding the security of energy supply, the competitiveness of the electric power system, and the sustainability of energy and economic development. To achieve these key objectives, it is necessary to build new and/or restore existing capacities of production, supply, transmission and storage, and to increase energy efficiency and the share of renewable energy resources.

40 IMPROVING ACCESS TO SUSTAINABLE MEANS OF TRANSPORT

The *sustainable mobility* model has been gaining momentum in recent years, particularly owing to the constant rise of greenhouse gas emissions in this sector, which threaten to jeopardize EU climate objectives. The application of this model implies a holistic approach, which aims to improve the efficiency of the traffic system, traffic organization and safety, and to reduce energy consumption and consequences for the environment. ❏

With regard to improving access to sustainable means of transport, the Republic of Croatia plans to increase the mobility of public transport and other means of transport (pedestrians and cyclists), and to achieve this, the priority set is to increase efficiency as well as physical, operational and organizational integration of all types of transport (rail, tram and bus) and to improve the cycling and pedestrian infrastructure network. It is necessary to enable good public transport connections with the main centers of demand, such as airports, seaports, inshore ports, cultural centers, city centers, etc. The transition to *cleaner* transport in cities is usually facilitated by higher availability of public transport services and a denser population. Multimodal travel should be facilitated by providing information to users before and during a journey, by electronic booking and integrated travel tickets. The support for public transport and alternative means of transport should start at the political level, by committing to set these types of transport as a priority and at the same time by limiting the use of personal cars, particularly in urban centers. ❏

Following up on the Transport Development Strategy of the Republic of Croatia for the period of 2014-2030, sustainable urban mobility plans will be developed for all regions and larger cities, emphasizing support for public transport and alternative means of transport. The widespread use of public modes of transport should be accompanied by an appropriate set of passenger rights. ❏ In addition, a number of measures will stimulate transportation with vehicles on alternative fuels, for which the Alternative Fuels Infrastruc-

ture Deployment Act and the National Policy Framework for the Deployment of Alternative Fuels Infrastructure are being prepared. Their adoption is expected in November 2016.

EXAMPLE OF GOOD PRACTICE

With regard to mobility in the Republic of Croatia, the City of Koprivnica carries the 2015 Smarter City title. Through the Civitas Dynamo project, aimed at addressing the lack of public transport, the City of Koprivnica has become a leader of electromobility in the Republic of Croatia. Particularly innovative are the electric buses, the market and repair network of which are still undeveloped. A cross-border cooperation program has also established a system of public bicycles, which includes seven terminals with a total of 60 bicycles. One of the terminals is located at the railway station, as such contributing to public transport. The city has also established a car-sharing system of electric vehicles for the employees of the municipal administration and enterprises, and the infrastructural fast-filling stations were built for electric vehicles in the city.

CHALLENGES EXPERIENCED AND LESSONS LEARNT IN THIS AREA 41

The program of state-subsidized housing construction (POS) has brought citizens closer to the fulfillment of their housing needs and improved standards of living, but also improved the situation in the construction sector, as Croatian citizens were offered the opportunity to resolve their housing issues on terms substantially more favorable than those of the market. ❏

Qualitative progress was achieved through harmonization with EU directives, gradual transposition and introduction of new construction standards and technical regulations for thermal insulation and noise protection, as well as by introduction of new technologies in the construction of apartments. ❏

With regard to earthquake protective measures, it should be noted that Croatia, as early as the beginning of the 1960s when the country was hit by a series of disastrous earthquakes, has implemented very strict design standards for the mechanical stability and resistance (statics) of buildings against earthquakes with very high coefficient of safety. ❏

The infrastructure of the housing stock is not

41 CHALLENGES
EXPERIENCED
AND LESSONS
LEARNED IN THIS
AREA

entirely developed, as a number of apartments are still not connected to all utilities infrastructure and lack a full utility infrastructure that meets modern housing standards. In principle, this does not apply to new apartments that are being built according to modern standards of construction and equipment, but only to the older housing stock. ❑

Traffic congestion prompted cities to find a model of sustainable mobility by encouraging the use of public transport and alternative means of transport, increasing the share of transport vehicles using alternative fuels, the introduction or improvement of intermodal transport, reducing traffic in city centers, controlled parking zones and introducing a system of collection, and others.

42 FUTURE CHALLENGES AND ISSUES IN THIS AREA THAT COULD BE ADDRESSED BY A NEW URBAN AGENDA

When planning the development of a city, it is necessary to aim for a balanced interweaving of functions and activities, all the while ensuring well-designed public facilities and surfaces. ❑

The dynamic development of cities dictates frequent changes in the way city territory is used, which is why mixed land use should be encouraged and development activities streamlined towards abandoned or underused sites which have lost or are losing their previous function. The priorities of urban development are interventions that will rehabilitate the existing situation, improve the environment and contribute to the revitalization of an area and initiate economic dynamics, such as employment, stimulating impact on the development of other activities, refurbishing and utility equipment of an area. Large peripheral, in most cases scarcely constructed and inadequately equipped construction zones, often even illegal, should be integrated into the urban system and their further expansion should be prevented, thus taking care of the preservation of landscape

which has an important ecological and recreational function. ❑

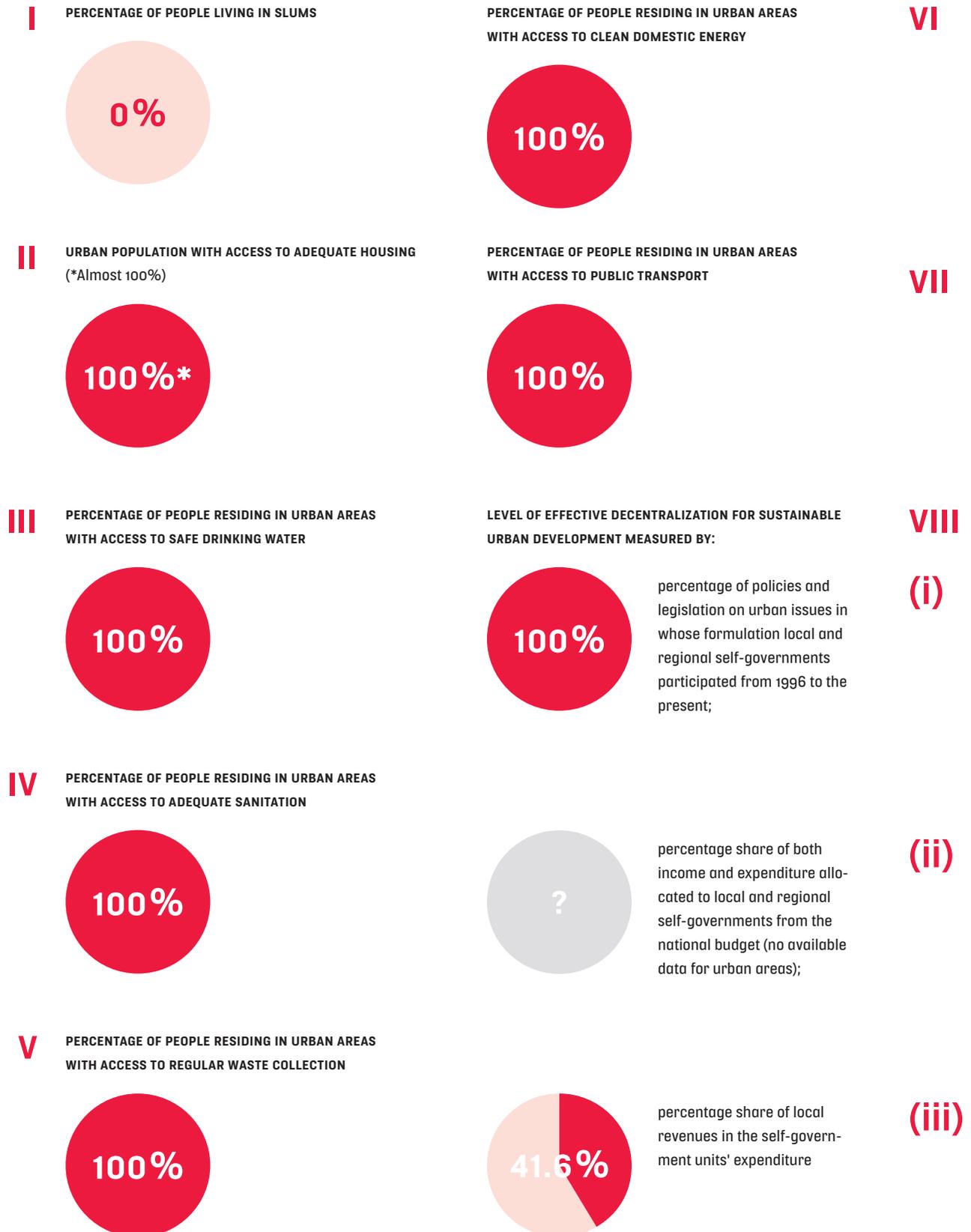
Housing, as a basic function of a city, should be paid special attention to at the national and local levels through adequate measures taken for the realization of the right to financially accessible housing of good quality. In the spatial development plans of cities and municipalities and in general urban plans for new and existing residential areas, it is necessary to ensure the availability of public transport and public facilities and to develop business opportunities which are complementary to the surrounding housing. ❑

When planning new residential areas, it is desirable to have diverse housing typologies in accordance with the features of space and climate, as well as with people's habits and needs. Special attention should be given to land planning and systematic infrastructural development of the land for individual housing, as it occupies the majority of housing space. Incentives need to be established for the control, maintenance and modernization of the existing housing stock, while neglected public spaces in the existing residential areas need to undergo revitalization.



VII

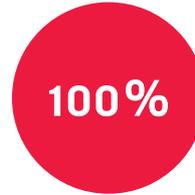
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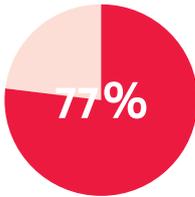
IX PERCENTAGE OF CITY, REGIONAL AND NATIONAL AUTHORITIES THAT HAVE IMPLEMENTED URBAN POLICIES SUPPORTIVE OF LOCAL ECONOMIC DEVELOPMENT AND CREATION OF DECENT JOBS AND LIVELIHOODS (no available data)



XI PERCENTAGE OF CITY AND REGIONAL AUTHORITIES THAT HAVE IMPLEMENTED PLANS AND DESIGNS FOR SUSTAINABLE AND RESILIENT CITIES THAT ARE INCLUSIVE AND RESPOND TO URBAN POPULATION GROWTH ADEQUATELY



X PERCENTAGE OF CITY AND REGIONAL AUTHORITIES THAT HAVE ADOPTED OR IMPLEMENTED URBAN SAFETY AND SECURITY POLICIES OR STRATEGIES



77% of city and regional authorities have established Crime Prevention Councils aimed at urban safety and prevention of crime in Croatian cities (out of a total of 225 established councils, 114 are at city and county level, and 111 at city neighborhood, city district and municipality level). **VI**

Additionally, every city can develop its own urban safety and security strategy. For example, the City of Zagreb has adopted the Urban Safety Strategy of the City of Zagreb 2014-2017.

Namely, the concepts and solutions for spatial development plans at all levels must be based on the principles of organization of space that reduce its vulnerability to a minimum, and on the consideration of its adaptation to changes, including a component of sustainability and resilience. In the Republic of Croatia, all local and regional self-government units have adopted spatial development plans for their respective areas.

XII SHARE OF NATIONAL GROSS DOMESTIC PRODUCT (GDP) THAT IS PRODUCED IN URBAN AREAS (no available data for urban areas)



PHOTOGRAPHS BY
Zvonko Radičanin

PAGE	LIST OF MAPS
8	Settlements by number of inhabitants
9	Spatial structure
11	Share of inhabitants over 65
16	System of settlements and spatial-traffic corridors
17	ISPU Geoportal
32	Administrative-territorial organization of the Republic of Croatia

THE NATIONAL INPUT OF THE REPUBLIC OF CROATIA FOR HABITAT III WAS MADE AS A COORDINATED EFFORT BETWEEN THE MINISTRY OF CONSTRUCTION AND PHYSICAL PLANNING AND THE CROATIAN INSTITUTE FOR SPATIAL DEVELOPMENT, WITH CONTRIBUTIONS FROM THE MINISTRY OF FOREIGN AND EUROPEAN AFFAIRS, MINISTRY OF PUBLIC ADMINISTRATION, MINISTRY OF REGIONAL DEVELOPMENT AND EU FUNDS, MINISTRY OF ENTREPRENEURSHIP AND CRAFTS, MINISTRY OF INTERIOR, MINISTRY OF SOCIAL POLICY AND YOUTH, MINISTRY OF ECONOMY, MINISTRY OF LABOR AND PENSION SYSTEM, MINISTRY OF MARITIME AFFAIRS, TRANSPORT AND INFRASTRUCTURE, MINISTRY OF AGRICULTURE, MINISTRY OF ENVIRONMENT AND NATURE PROTECTION, NATIONAL OFFICE FOR RESTORATION AND HOUSING, CENTRAL BUREAU OF STATISTICS AND THE ASSOCIATION OF CITIES IN THE REPUBLIC OF CROATIA.



URBAN DEMOGRAPHIC ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA



URBAN ECONOMY: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA



LAND AND URBAN PLANNING: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA



ENVIRONMENT AND URBANIZATION: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA



HOUSING AND BASIC SERVICES: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA



URBAN GOVERNANCE AND LEGISLATION: ISSUES AND CHALLENGES FOR A NEW URBAN AGENDA



INDICATORS