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COUNTRY FICHE

CROATIA [HR]

Sustainable Urban Development (SUD) was a new concept in Croatia, introduced through the Cohesion Policy's urban agenda and implemented via Territorial Delivery Mechanisms during the 2014-2020 period. Its adoption necessitated significant learning and capacity-building, particularly within municipalities encouraged to coordinate activities within Functional Urban Areas (FUAs). Croatia primarily implemented SUD through Integrated Territorial Investment (ITI) strategies, with eight strategies deployed in cities with populations exceeding 50,000. While these strategies were intended to integrate resources from the European Regional Development Fund, European Social Fund, and Cohesion Fund, in practice, there was limited operational-level integration due to administrative challenges.

POPULATION	STATE TYPE
4.15 million	Decentralised

NATIONAL ESIF BUDGET

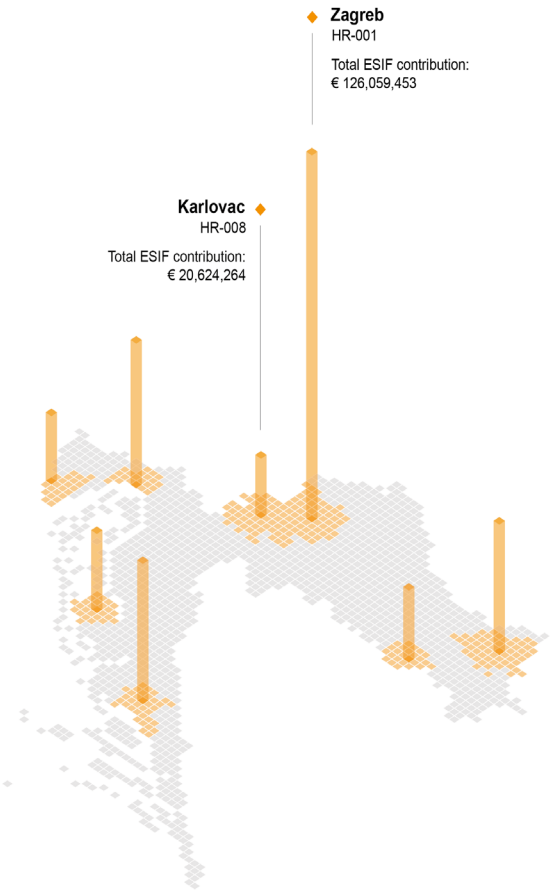
EU Contribution (EUR)	€ 12,192,960,533
National Contribution (EUR)	€ 2,009,380,031
Total Contribution (EUR)	€ 14,202,340,564

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	8	ERDF, ESF, CF	3.74%	37%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**8**	**-**	**3.74%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



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Description

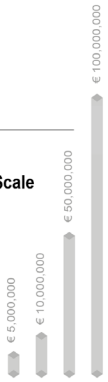
Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= Integrated Territorial Investment (ITI; SUD)

Scale



GOVERNANCE CONTEXT

Croatia operates as a unitary state, with its territorial administration divided into 20 counties (županije), each governed by its own assembly and local authorities. The central government, head-quartered in Zagreb, oversees national issues like defence, foreign affairs, and finance. Within the counties, municipalities and cities manage local matters such as education, healthcare, and public services, with local councils playing a key role in grassroots decision-making. Although counties possess some degree of autonomy, the central government maintains considerable control over critical functions. This structure aims to balance uniform governance across the country with local representation and responsiveness to regional needs.

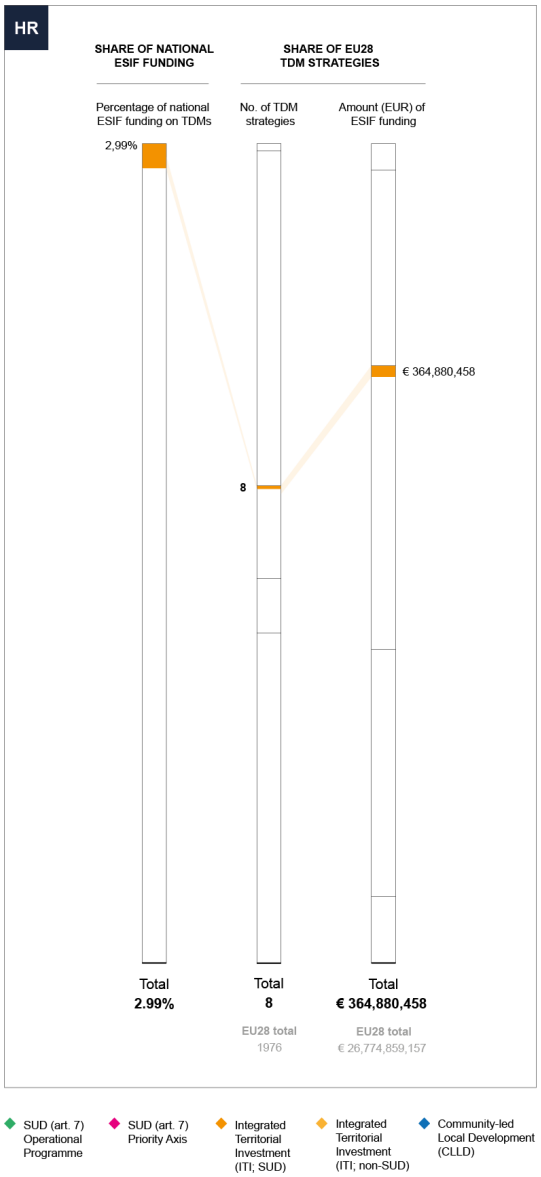
COHESION POLICY CONTEXT

Between 2014 and 2020, Cohesion Policy in Croatia was primarily implemented through two National Operational Programmes. Despite the presence of elected authorities at the regional level, the management system for Cohesion Policy remained centralised. The Operational Programme (OP) Efficient Human Resources, funded by the European Social Fund (ESF), was managed by the Ministry of Labour and Pension System. Meanwhile, the European Regional Development Fund (ERDF) and Cohesion Fund (CF) were allocated to support the OP Competitiveness and Cohesion, which was overseen by the Ministry of Regional Development and EU Funds. This ministry not only served as the Managing Authority (MA) for the national OP but also functioned as the Coordination

Body for SUD ITI strategies, which were implemented exclusively in the largest urban areas. Urban authorities acted as Intermediate Bodies (IBs) for these strategies, with the exception of the City of Rijeka, which also assumed the role of implementing body for its respective strategy.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

During the 2014-2020 programming period, Croatia implemented Sustainable Urban Development (SUD) strategies primarily through the Integrated Territorial Investment (ITI) mechanism in its largest urban areas. This was linked to the introduction of the National Law on Regional Development.

Thematically, the SUD ITI strategies were broad in scope, addressing environmental protection, the development of business infrastructure and networks, low-carbon initiatives, as well as research and innovation. While the strategies were primarily funded through the European Regional Development Fund (ERDF), with additional support from the European Social Fund (ESF) and the Cohesion Fund (CF), in practice, integrating these funding streams proved to be a significant challenge.

To access ITI funding, the selected larger cities had to define Functional Urban Areas (FUAs) in collaboration with neighbouring municipalities—a major innovation introduced by this instrument. These cities were also responsible for developing comprehensive and long-term urban development strategies, with goals extending beyond the immediate objectives of the ITI. National guidelines provided criteria based on spatial continuity and commuting patterns, but cities were required to develop additional criteria, such as sustainable urban transport, to better reflect local needs. For example, Rijeka included a criterion focused on the sustainability of traffic and infrastructure systems, demonstrating innovation in addressing challenges that spanned municipal boundaries. This approach facilitated territorially integrated operations across municipalities.

The strategy drafting process encountered difficulties due to the limited experience and strategic capacity of some local authorities; however, capacity was also built during the process. Rijeka's experience exemplifies the added value of the SUD ITI initiative. It spurred the creation of a new Department of Strategic Planning within the city authority, marking a significant shift in the city's approach to strategic development. The initiative also led to new horizontal collaboration across municipalities within the city's FUA and contributed to the development of capacity to steer urban development and manage Cohesion Policy as an Intermediate Body, with support from the national government. Simultaneously, vertical coordination across levels was strengthened through the formation of a Partnership Council—required for each SUD ITI strategy—which included representatives from local NGOs, the Chamber of Commerce, universities, and entrepreneurs, ensuring broad stakeholder engagement.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Promoting cooperation in Functional Urban Areas

The implementation of Sustainable Urban Development (SUD) Integrated Territorial Investment (ITI) strategies in Croatian cities has significantly driven the development of governance capacity at the Functional Urban Area (FUA) level, encouraging municipalities to collaborate beyond their administrative borders. In the Municipality of Rijeka, which acted as the Intermediate Body for its SUD ITI strategy, close cooperation was established with 10 municipalities within its FUA. Weekly coordination meetings were organised by a dedicated Working Team set up specifically for this strategy. These meetings rotated across the municipal headquarters involved and featured thematic workshops and site visits to identify the specific investment needs across the diverse FUA. This approach facilitated more precise targeting of needs, the formulation of a shared vision, and the implementation of some of the first territorially integrated projects in Croatia, such as those focused on heritage valorisation. Additionally, the process added value by promoting knowledge exchange among the municipalities involved. Furthermore, SUD ITI formalised existing collaboration among mayors and municipal executives within Rijeka's FUA, particularly in traffic and infrastructure management. An agreement among local leaders established an operational body to steer the implementation strategy, supported by dedicated project teams that prepared materials and facilitated decision-making.

IN SUM

While the SUD ITI strategies in Croatia encountered some challenges, particularly in fund integration and uneven capacity at the local level, they also achieved significant successes. Notably, the strategies added value by stimulating the engagement of local non-state stakeholders and fostering new partnerships across municipalities. This approach facilitated the development of strategies that addressed local needs within FUAs and the design of integrated urban projects that transcended municipal boundaries.

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