



**MARITIME DEVELOPMENT AND
INTEGRATED MARITIME POLICY
STRATEGY OF THE REPUBLIC OF
CROATIA FOR THE PERIOD FROM
2014 TO 2020**

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INTRODUCTION

The Republic of Croatia acceded to the European Union on 01 July 2013. For the Republic of Croatia, the accession to the European Union represents a potential turning point in the economic, social and general social development of the country.

The overall length of the Croatian coastline amounts to 6,278 km, including the coast of about 1,244 islands, islets, reefs and cliffs. Of the total number of islands, 49 are populated.

Of the total surface area of the Republic of Croatia, which amounts to 87,661 km², internal waters and the territorial sea extend over a surface of 31,479 square km (internal waters 12,498 square km and the territorial sea 18,981 square km).

In the Croatian ports, about 19 million tonnes of cargo is transhipped, and more than 12 million of passengers are transported annually (2012). The Croatian ports are integrated into a comprehensive network of European transport corridors, which we have recognised as a potential for development that allows for the inclusion into trade flows on both the European and the global market, as well as the transformation of port systems into modern logistical and distribution commercial centres.

For a balanced development of the country it is of particular importance to ensure a sustainable development of the islands, and to prevent further emigration of the island population. In this context, coastal maritime liner transport services are significant for the development of the islands. These services are carried out on a total of 56 public routes of national significance, on which 11.1 million passengers and 2.76 million vehicles were transported in 2012.

The Croatian fleet consists of 1,245 ships of 1,274,833.36 GT¹, 121 of which sail in international navigation).

In Croatian registries and records, 72 floating structures, 4 fixed offshore structures, more than 1,900 yachts and 118,000 boats are registered. On average, about 60,000 foreign recreational vessels sail into the Republic of Croatia (2012).

Croatia has about 22,000 seafarers, about 7,500 of which sail in national navigation, and 14,500 of which sail in international navigation on Croatian and foreign vessels (2012). Seafarers receive an education in a system that includes 8 secondary maritime schools, 4 maritime institutions of high education and 22 specialised maritime training centres (2012).

These data undoubtedly demonstrate the significance of the maritime sector for the overall development of the country.

¹ Tonnage stands for the total area of the ship calculated after tonnage measurement, and according to provisions of the IMO International Convention on the Tonnage Measurement of Ships (1969) as gross and net tonnage (Gross Tonnage -GT, Net Tonnage -NT).

Wishing to define clear directions of the development of the maritime sector as one of the most significant economic sectors of the Republic of Croatia, with a view to increase the gross domestic product, define the development on principles of sustainability, the promotion of a culture of the safety and protection of the marine environment, the Government of the Republic of Croatia hereby adopts the Maritime Development and Integrated Maritime Policy Strategy of the Republic of Croatia. The Strategy take into consideration the general principles contained in strategic guidelines of the Government of the Republic of Croatia, individual sectoral strategies, and strategic directives of the European Union in the field of the maritime sector².

1. VISION, MISSION AND STRATEGIC OBJECTIVES

Vision

Croatia – developed and recognizable maritime country

Mission

Strengthen the role of the maritime sector in the development and competitiveness of the Republic of Croatia through policies and initiatives of sustainable growth of economic activities at sea and in the coastal area, strengthening the impact of the Croatian maritime sector on the European and global market, validating the exceptional geographical location of the Adriatic Sea and its environmental properties, as well as the development of high technologies and services in the maritime sector on the foundation of traditional knowledge and acquired capacities, taking special account of the high availability of effective and contemporary public services in the maritime sector, marine environment protection and navigation safety.

General objective

Developed and competitive maritime sector of the Republic of Croatia

Strategic objective

1. Sustainable growth and competitiveness of the maritime economy in the following fields:

- shipping and services in maritime transport,
- port infrastructures and port services,
- education and labour and living conditions of seafarers.

2. Safe and environmentally sustainable maritime transport, maritime infrastructure and maritime domain of the Republic of Croatia.

² *Strategic guidelines and sectoral strategies in the Annex.*

2. SUSTAINABLE GROWTH AND COMPETITIVENESS OF THE MARITIME ECONOMY

Sustainable growth and competitiveness of the maritime economy as a strategic objective will be achieved through a successful achievement of specific objectives in the basic segments of maritime economy - shipping and other services in maritime transport, port infrastructure and port services, as well as human resources - seafarers as the fundamental carriers of knowledge and skills in the field of the maritime sector. It should be pointed out that with respect to the importance of achieving the specific objectives, the priority lies with the development of shipping and affiliated services in maritime transport, raising the competitiveness of Croatian shippers on international markets as well as in domestic and international liner services, which will increase the share of maritime transport as a more energy-efficient and environmentally sustainable mode of transport compared to other modes of transport.

On the international market of the labour force in the maritime sector, Croatian seafarers are in high demand and are very much appreciated. In the function of sustainable growth and the competitiveness of the maritime sector, the objectives are directed towards an increase of the availability and expertise of the Croatian seafarers are directly connected with the objectives of the development and competitiveness of shipping.

Today, the Croatian port system meets the needs of international maritime transport, and the development of the port system needs to be directed towards meeting the needs of domestic maritime transport, and the recreational segment of maritime transport in the function of nautical tourism.

The set of specific objectives of improving the coastal maritime liner services as a feature of developing maritime shipping is particularly significant for the sustainability of economic growth and quality of life on islands and in the coastal area, and they need to be achieved in accordance with the general objectives of the development of shipping as an added value of these objectives.

The recreational segment of maritime transport (nautical tourism) is well developed, and has been recording an accelerated growth. The positioning of the Republic of Croatia as the most significant nautical destination in Europe and on the Mediterranean can greatly impact the growth of the maritime economy, particularly in the field of the development of the port system designated for this segment of transport.

The specific objectives in Chapter 4. Strengthening of the Administrative Capacity and Chapter 5. Strengthening of Maritime Knowledge and Culture are the basic objectives that represent a requirement for the efficient achievement of the objectives of the growth and competitiveness of the maritime economy.

2.1 Shipping and maritime transport services

The main feature of the contemporary world is globalization, the basis of which is cheap and mass transport of raw materials and goods around the world. About 80% of the world trade volume is carried out by sea, and 70% of the world trade value is carried out by sea. This share in the world trade is even greater in the most developed countries. However, shipping is the most competitive industry branch because all shippers from around the world can compete in international transport without restriction, even those with their headquarters registered in the most tax-convenient countries with vessels flying the so-called flags of convenience³.

³ *The term flag of convenience implies that the shipper is provided the opportunity to register ships in countries in which cheaper registration and lower taxes are offered or in which there are no taxes at all. In addition, these countries enable shippers to employ a cheap work force, and to cut costs due to lower living standards and lower work standards of crew members.*

The European Union has therefore recognised the strategic significance of shipping and its exposure to competition and has decided to grant it special status. The Union has passed a series of measures for attracting shipping under the flags of member states, creating the preconditions for more favourable business conditions, such as those of the most competitive countries. The creation of a stimulative business environment that would enable competitive business activities and attract investment capital includes tax benefits. According to European Union directives, shippers have the possibility to pay a flat-rate "tonnage tax", and seafarers can be completely exempted from income tax and social welfare benefit payments.

After the great boom in shipping from 2004 to 2008, created by a great increase in world trade due to, on one hand, the accession of China to the World Trade Organization in 2001 (the offer of cheap goods and demand for raw materials), and on the other, the consumer-credit boom in the USA (the creation of great purchasing power and demand), the shipping market entered a crisis, one of the deepest and most lasting in history. Namely, during the upswing of the global economy, a great number of newbuildings was commissioned in shipyards that were emerging and expanding, especially in Asia, and all owing to cheap money and excessive and easily accessible loans, which led to the inflation of an asset price "bubble" and an excessive number of commissioned ships. Besides investments in ships by traditional shippers, the investment fever was stimulated by general (speculative) investors, who did not intend to be engaged in the sea transport business, but to capitalise on the resale of ships at greater prices. These events led to the overcapacitating of the global merchant fleet by almost 30 percent.

Since 2008, international shipping is in one of the most severe and lasting global shipping crisis, which is why it is understandable that its business is in the red. Many shipping companies, including the most renowned ones, are in serious financial difficulties. Due to the great depreciation of ships, many shippers are not in the state to meet the conditions for financial loans, which directly influences the asset and debt value. On the other hand, low freight costs directly influence the liquidity of the shippers' activities. In the past three years, shipping companies have introduced additional savings measures, but these measures could not prevent them from selling a part of their fleet. If the past decade in shipping was the "decade of revenues", we can say that this one will be the decade of cuttings costs.

Some EU countries provide assistance to their shippers by rehabilitating banks, which restructure the debts of national shippers, and by directing foreign clients, even those who regularly pay off their loans, to return their loans through refinancing in other banks, in order to reduce the exposure of the rehabilitated banks to the risk of the shipping business and for such banks to do business only with domestic shippers.

Global shipping is undergoing a great restructuring process and it can be said that it is currently at a great turning comparable to the situation in the second half of the 19th century, when steam powered ships replaced sailing vessels in global trade.

Today, due to the adoption of new regulations in the field of environmental protection, new ship types are emerging that significantly reduce fuel consumption, and have a less harmful impact on the environment, so-called "eco ships". In addition, because of the general shipbuilding crisis, such ships are relatively cheap and far more profitable because they save expensive fuel, which is the highest cost item of today's shipping business. Although there is a large surplus of ships, new ships with prestigious technology are commissioned. Such ships will probably create their market share by pushing classic ships from the market competition, as they are becoming unprofitable.

The funds for the financing of the procurement of eco-ships will mostly be raised on global stock exchanges or through export loans of Asian development banks and other financial institutions, and to a lesser extent of traditional maritime banks, which are very cautiously returning to the market after the losses they had suffered.

Having recognised these trends on the global market, this Strategy defines objectives and creates

measures for the survival and modernisation of the Croatian fleet in order for it to be competitive on the global market and for Croatia not to lose an industry branch, which, on account of tradition and the necessary know-how has preconditions for success.

World trade will grow, which means that shipping has a future if it adjusts to the new trends.

The Croatian fleet comprises 1,245 ships of 1,274,833.36 GT, 121 of which sail in international shipping. The majority of these ships sail under the Croatian flag, and a small number (27 ships) sail under foreign flags - Malta, Marshall Islands and Saint Vincent.

Croatian shippers involved in international maritime shipping are organised in an association of Croatian employers in international shipping, MARE NOSTRUM. Currently, the organisation has 13 members. According to data of MARE NOSTRUM, in 2012, the Croatian shippers that are members of the organisation, had a total of 154 ships with 1,907,944 GT, compared to 2011, when they had 162 ships with 1,942,812 GT.

With respect to the ship types, the fleet is dominated by bulk carriers, tankers and RO-RO passenger ships.

The average age of the ships of CARE NOSTRUM members amounted to 9.33 years in 2011, and to 10.2 years in 2012. In contrast, the average age of the fleet in national navigation is 46.2 years, which is why the total average age of the Croatian fleet is 45.1 years. It should be noted that the high age of traditional wooden ships also impacts the average age of ships in national navigation.

For this reason, a series of programmes was carried out recently to provide assistance to the fishing fleet, and the fleet of passenger and excursion ships in terms of their restoration and the construction of new vessels. With an aim to create more favourable business conditions for shippers in national navigation, a programme was carried out to compensate a part of the fuel costs, and from 2013, shippers in national navigation are exempted from paying excise duties for fuel.

OBJECTIVE 2.1.1. Increase gross tonnage of the Croatian fleet

Method of achieving the objective:

Measure 2.1.1.1. Improvement of the stimulative taxation policy - a taxation system according to tonnage for shippers and complete exemption from income tax payment for seafarers in international shipping in addition to cost reduction concerning the crew for shippers in national navigation;

Measure 2.1.1.2. Establishment of a stabilisation fund for shipping for the purpose of providing loans to shippers in unfavourable business conditions;

Measure 2.1.1.3. Motivate the financial sector to include shippers in the financing;

Measure 2.1.1.4. Improve conditions of employment in shipping;

Measure 2.1.1.5. Motivate shippers to use EU funds.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Increase of Croatian fleet by 60% of gross tonnage	GT	1.27 million GT	Ministry of Maritime Affairs, Transport and Infrastructure	1.27 million GT	1.40 million GT	2 million GT

OBJECTIVE 2.1.2. Raise the share of maritime transport with respect to other modes of transport

Method of achieving the objective:

Measure 2.1.2.1. Encourage coastal and short-sea shipping for cargo transport including RO-RO transport (feeder services of oil derivatives, gas and other hazardous cargo);

Measure 2.1.2.2. Stimulate the connection of ports of the Adriatic and Ionian basin through tariff policy measures in ports, and promote participation in EU programmes that stimulate the reduction of the share of road transport in favour of maritime transport.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Share of maritime transport compared to other modes of transport	%	22 ⁴	Croatian Bureau of Statistics/Croatian Chamber of Commerce	22	23	24

OBJECTIVE 2.1.3. Raise the level of quality of shipping and ensure its long-term competitiveness

Method of achieving the objective:

Measure 2.1.3.1. Develop energy-efficient eco-shipping by stimulating the procurement/construction of new eco-ships and by adapting existing ships according to the highest environmental standards with technologies for the treatment of ballast⁵ waters, exhaust gases etc;

Measure 2.1.3.2. Stimulate clusters of science, the shipbuilding industry and the shipping industry;

Measure 2.1.3.3. Stimulate innovation in shipping.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Total average age of Croatian fleet	Number of years	45.1	Ministry of Maritime Affairs, Transport and Infrastructure	44	40	37

⁴ The initial value of the share of maritime transport compared to other modes of transport has been obtained by calculating from the total value of cargo the percentage of the share of cargo in seaports - Source: Croatian Bureau of Statistics (Statistical yearbook for 2013)

⁵ The term ballast stands for water and substances loaded into the boat in order to achieve stability, trim and crossfall, sinkage and stress of the vessel or floating structure. The ship ballast can contain: algae, cysts, shellfish larvae, fish, molluscs and crabs, bacteria and viruses.

2.2 Coastal line passenger transport

Public transport in the coastal line passenger transport⁶ is considered to be the key factor in the maritime transport segment, given that it ensures permanent and regular connection of islands with the mainland and of one island with another, without which there would be no sustainable development of inhabited islands in internal waters and territorial sea of the Republic of Croatia. This sector provides regular and regulated line shipping between the Croatian islands (73 island ports) and the mainland coast (22 mainland ports).

The public transportation system includes 56 state lines (27 ferries, 16 fast shipping lines and 13 classic ship lines) maintained by 13 shipping companies with the fleet of 77 ships of which 17 passenger ships, 17 fast passenger ships and 42 ferries are participating. The largest shipping company is Jadrolinija from Rijeka, owned by the state, and 12 private shipping companies are participating in the system. In the total passenger traffic, Jadrolinija participates with the share of 84.9 %, and in the total vehicle traffic with the share of 86.4 %.

In 2012, the total number of transported passengers in coastal line passenger transport amounted to 11,157,109 passengers and 2,764,073 vehicles. That number has been relatively stable from 2010 to this day (11.14 million in 2010, 11.17 million in 2011 and 11.15 million in 2012).

Given that the public transport service in coastal line passenger transport is characterized by unprofitability in business activities, this activity is subsidized by budget funds, in such a way that the financial support is given in cases when the shipping company cannot cover the actual costs by earned income on the specific line. The yearly budget funds for the subvention of this activity in recent years were near the following amounts: HRK 436 million in 2008, HRK 382.7 million in 2011, HRK 375 million in 2012, and in 2013 these funds are expected to amount to HRK 325.5 million.

In coastal line passenger transport shipping companies perform the transport based on a concession contract or contract on provision of public services, which the shipping companies conclude with the Agency for Coastal Maritime Liner Services, which also pays out the subsidy for transport from the state budget funds and monitors the application of the mentioned contracts.

Until the expiration of the transitional period (31 December 2016), with respect to concession contracts or contracts on provision of public services concluded according to the Regulation on the Freedom to Provide Services in Maritime Transport within Member States (maritime cabotage⁷), transport service in coastal line passenger transport is performed by ships of Croatian nationality. After that period, the market of line passenger transport will be available under same conditions to shipping companies from all EU-Member States.

The unfavourable age structure of the fleet participating in the line passenger transport, the high share of the fuel price in total costs of transport, as well as significant season oscillations, are the most significant challenges shipping companies are encountering in the regular maritime transport service.

⁶ Coastal line passenger transport is the transport of passengers, cargo and vehicles in internal seawaters and the territorial sea of the Republic of Croatia carried out on predetermined routes according to a published sailing list and price list.

⁷ Cabotage is the transport of passengers and/or cargo between places within the territory of one country. It is mostly related to marine transport; the transport of passengers and cargo between two ports in the same country by boat on the sea or internal seawaters.

OBJECTIVE 2.2.1. Improve the public services provision system for connecting the islands with the mainland and islands between each other for the purpose of contributing to island sustainability through the development of socially sustainable, economical and efficient system of the public coastal maritime transport service of the Republic of Croatia

Method of achieving the objective:

Measure 2.2.1.1. Redefine regular transport service system (route system, ratio of ferry, classic and fast shipping lines);

Measure 2.2.1.2. Connect coastal maritime liner service with other means of transport according to transport strategy of the Republic of Croatia;

Measure 2.2.1.3. Implement an available, effective and transparent system of privileged transport for the island population and island economy.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Expenditures of the State Budget of the Republic of Croatia for the purposes of subsidising coastal maritime liner services per transported number of passengers	HRK per passenger	27 ⁸	Ministry of Maritime Affairs, Transport and Infrastructure	27	25	22

OBJECTIVE 2.2.2. Ensure the provision of public services on principles of safety, stability, accuracy and comfort

Method of achieving the objective:

Measure 2.2.2.1. Stimulate the development and use of new technologies in the coastal regular maritime transport service and the use of environmentally friendly ships in the coastal maritime liner service system;

Measure 2.2.2.2. Design and build specific ships for the routes connecting small islands without the road infrastructure;

Measure 2.2.2.3. Computerise coastal regular maritime transport which will improve service accessibility.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Average age of fleet in coastal maritime liner services	Number of years	26.6	Agencies for coastal maritime liner services	26	25.5	24

⁸ The initial value of the expenditures of the State Budget of the Republic of Croatia for the purposes of subsidizing coastal maritime liner services has been obtained by dividing the annual budgetary funds for subsidizing this activity (HRK 325 million) with the number of transported passengers in the same year (12 million passengers).

2.3 Seafarers

The Republic of Croatia is traditionally a maritime country which is, first of all, known for its qualified seafarers. You can say that the seafarers are a Croatian maritime brand, appreciated and in demand on the global market. Today Croatia has a total of about 22,000 seafarers, which is quite a number in relation to about 4.5 mil. inhabitants. Of the total number of seafarers, 14,500 sail on international voyages onboard ships under Croatian and foreign flags. This is a sufficient reason for the Republic of Croatia to ensure highly educated maritime personnel with social and health care, which can meet the requirements of the modern shipping industry and safety of human life at sea.

In recent times, the interest for maritime professions has been declining both in Europe and in the Republic of Croatia, despite the acute shortage of qualified seafarers.

One of the mechanisms which would ensure encouraging conditions for choosing maritime professions is certainly the scholarship project for students of nautical schools and the faculties of maritime studies, which has the goal of stimulating enrolment in nautical high schools and faculties of maritime studies.

In 2008, the Republic of Croatia started with the implementation of the reform known as the social reform for seafarers, which enabled all Croatian seafarers in international transport to exercise rights to obligatory pension and health insurance under privileged conditions, as well as the right to tax exemption and reliefs.

The social reform had also included the institute of the period of social insurance with increased duration (accelerated retirement plan) for seafarers as well as more favourable conditions for acquiring the right to old-age pension. In accordance to international standards, the seafarer employment agency market has also been regulated, which ensures additional labour-law protection.

The established educational system consisting of middle, high, and specialised maritime schools which, at this moment, are insufficiently recognised on the international market as regards their position of providing education services, has the potential for further affirmation of the Croatian educational system on the international market.

OBJECTIVE 2.3.1. High standard of life and labour conditions of seafarers

Method of achieving the objective:

Measure 2.3.1.1. Support to the adoption of harmonized high standards of life and labour of seafarers through active participation in the work of the bodies of the International Maritime Organization (IMO⁹) and International Labour Organization (ILO¹⁰) and the European Union;

Measure 2.3.1.2. Encouraging the development and availability of the services ashore designated for seafarers (social areas, health care, legal aid etc.).

⁹ IMO - International Maritime Organization is a specialized institution of the United Nations for the maritime sector, based in London. Under the auspices of the IMO, about thirty conventions were brought and as many as about seven hundred resolutions about navigation safety and protection of seas from pollution. Croatia is a member of the IMO.

¹⁰ ILO - International Labour Office is a specialized agency of the United Nations, under whose protection a great number of conventions have been adopted on the labour-law status of seafarers.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of registered complaints with respect to life and labour conditions of seafarers	Number	9	Ministry of Maritime Affairs, Transport and Infrastructure	50 ¹¹	30	20

OBJECTIVE 2.3.2. Develop and promote Croatia as the international centre of excellence for educating seafarers with constant advancement of seafarers' education and training

Method of achieving the objective:

Measure 2.3.2.1. Adapt the seafarers' education and training system to the needs of the target markets;

Measure 2.3.2.2. In cooperation with other authorities, ensure appropriate material and personnel requirements at maritime schools and faculties of maritime studies;

Measure 2.3.2.3. Encourage the planning and implementation of the curriculum, as well as training programmes and tests for acquiring the certificate of proficiency in English to ensure access to foreign students and candidates;

Measure 2.3.2.4. Promote cooperation of faculties of maritime studies and maritime schools of higher education with the maritime economy.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of Croatian certificates issued to foreign citizens	Number	232	Ministry of Maritime Affairs, Transport and Infrastructure	300	500	1000

CILJ 2.3.3. Ensure encouraging conditions for choosing maritime professions and increase the share of officers in the total number of seafarers

Method of achieving the objective:

Measure 2.3.3.1. Promote the choice of maritime professions;

Measure 2.3.3.2. Award scholarships to students of maritime schools and faculties of maritime studies;

Measure 2.3.3.3. Ensure the conditions for employing seafarers ashore after an active maritime service;

Measure 2.3.3.4. Change the conditions of acquiring and using the right to years of service with lengthened duration;

Measure 2.3.3.5. Consistent application of a just relationship towards seafarers in cases of criminal and misdemeanour proceedings.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Share of officers in the total number of seafarers in service onboard ships on international voyages under Croatian and foreign flags	%	64	Ministry of Maritime Affairs, Transport and Infrastructure	65	66	70

¹¹ The increase of the target value is expected since the MLC Convention entered into force in 2013, due to which an increase in the number of complaints is expected in upcoming years.

2.4 Port system

The Republic of Croatia has 409 ports open for public traffic¹², 95 of which have at least one shipping line. The six main ports (Rijeka, Zadar, Šibenik, Split, Ploče and Dubrovnik), are situated along the mainland coastline, and all have been declared ports of exceptional (international) economic significance for the Republic of Croatia.

In accordance with the Maritime Domain and Seaports Act (OG Nos. 158/03,100/04, 141/06 and 38/09) 28 port authorities have been established for the purpose of managing and constructing ports in the Republic of Croatia. On the one hand, the Government of the Republic of Croatia has established 6 state port authorities for the purposes of managing and constructing ports of exceptional (international) economic significance for the Republic of Croatia. On the other hand, counties were given the option of establishing one port authority (or more, based on their needs) for the purposes of managing and constructing public traffic ports significant on a local and county level. The situation resulted in 22 county port authorities in 7 counties and this number alone poses the question of whether all of these port authorities on a county level are necessary. In this sense, we need to perform a fundamental management analysis in order to determine whether the current number of port authorities is optimal and justified in the sense of planning and managing the port sector.

Seaports have an economic potential based primarily on a favourable geographic position. The main comparative advantage of Croatian seaports compared to other ports of the European Union is the fact that the Adriatic reaches far inland into the continent which ensures the shortest and cheapest transport connection for countries located behind Croatia to the east Mediterranean, and via the Suez Canal to Asian and east-African countries. In this sense, the multimodal TEN¹³ corridors spreading across the Croatian territory confirm the fact that the Croatian geographic position is not only its advantage, but also a duty towards the European Union. The Mediterranean corridor, the Baltic – Adriatic Corridor, the Rhine – Danube Corridor and the planned Adriatic – Ionian motorway undoubtedly integrate the Republic of Croatia in the transport and economic system of the European Union.

The majority of cargo traffic in Croatian ports is carried out in the Rijeka and Ploče ports, totalling close to 90% of the total cargo traffic of all Croatian ports of exceptional economic significance and making them the leading cargo ports of the Republic of Croatia. On the other hand, the majority of passenger transport is carried out in the Split and Zadar ports, and Dubrovnik is the port with the majority of traffic of cruising vessels.

The development projects that are currently in the implementation phase should define the Croatian ports as modern logistics centres, taking into special consideration the options provided with the accession to the European Union and its commercial market of 500 million inhabitants.

Since the port authorities were established, the value of capital investments in the construction and modernisation of infrastructure in ports of national significance and the co-financing the construction of infrastructure in ports of significance on a county level and fishing ports has amounted to over EUR 600 million. In this sense, we should stress the largest projects of the port sector currently being implemented, such as the modernisation project of the Rijeka port, the construction of a container terminal at Brajdica, the construction of a new 'Zagreb coast' container terminal, the construction of a container terminal and terminal for bulk cargo in Ploče, the

¹² A port open for public traffic is a seaport that can be used on equal terms by any natural and legal person in accordance with its purpose and within the scope of available capacities.

¹³ The Trans-European Transport Network (TEN-T) comprises transport corridors that connect the states of Central Europe with the states of Eastern and South Eastern Europe. The goal of the TEN T network is to bring parts of Europe closer geographically and economically through the development of roads, railways, inland waterways, airports, seaports, inland waterway ports and transport management systems.

modernisation and reconstruction project of the passenger terminal in Dubrovnik; project Batahovine I and II, the construction of a passenger port in Gaženica, Zadar, the modernisation project in the Split port for domestic and international passenger transport and the construction and improvement project of the nautical-passenger terminal in the Šibenik port.

Apart from investing in ports of special (international) economic interest, for the purpose of connecting the coastline and islands, as well as the islands between themselves, the Republic of Croatia has co-financed the construction and reconstruction of the infrastructure in ports of county and local significance open for public traffic and the infrastructure for the reception of fishing vessels (the so-called unloading points for the fishing fleet). Although such infrastructure projects are not self-sustaining, they have exceptional importance in preserving a sustainable development of the islands and their demographic picture. As such, the state will continue to encourage them.

These projects should be coordinated in such a way that in the end they create a unified integrated transport network connecting the islands to the coast and to each other.

In 2012, a total of 12,474,000 passengers were registered in maritime transport, 3.5% less than in 2011. International transport registered 20.9% less passengers than in 2011.

Cargo traffic in seaports in 2012 amounted to 18,972,000 tonnes, which is 13.2% less than in 2011, when cargo traffic in seaports amounted to 21,862,000 tonnes. In terms of cargo type, traffic in coal and lignites, crude oil and natural gas was the most represented, with 31.3%, while coke and refined oil products were at 18.7%. International cargo traffic in 2012 amounted to 82.3% of all traffic and, compared to 2011, dropped by 15.1%.

Container traffic in the seaports of the Republic of Croatia is at the level of about 150,000 TEU¹⁴, 120,000 of which is transported via the Rijeka port.

Cargo traffic in the past few years clearly shows that specialised terminals are competitive with other ports in the region, while those who are not as specialised in terms of cargo are in a gradual decline in terms of traffic. Therefore, in the future, the state will be oriented towards port specialization in order to ensure the further development of ports.

Considering the indicated statistics and the economic situation in the Republic of Croatia and its surroundings, but also the fact that investments in the modernisation of the port sector have been made, objectives have been set for the coming period, the achievement of which is necessary for the port sector to respond to the needs of the EU market and become competitive on it. We anticipate an increased turnover in both passenger and cargo traffic after achieving these objectives, which will indirectly influence the increase of the income, or in other words, share of the port sector in the gross domestic product of the Republic of Croatia.

¹⁴ TEU – twenty-foot equivalent = 20' container, signifies the term of the container capacity of a ship that is measured in 20 foot equivalent units.

OBJECTIVE 2.4.1. Port specialisation

Method of achieving the objective:

- Measure 2.4.1.1.** Specialise the Rijeka port for container and liquid cargo transport, that is develop the Mediterranean Corridor branch of the Trans-European Transport Network;
- Measure 2.4.1.2.** Specialise the Ploče port for container and bulk cargo transport;
- Measure 2.4.1.3.** Specialise the Dubrovnik port to receive cruising vessels;
- Measure 2.4.1.4.** Specialise the Split port to receive Ro-Ro vessels, passenger ships and cruising vessels;
- Measure 2.4.1.5.** Specialise the Zadar port to receive Ro-Ro vessels, passenger ships and cruising vessels, as well as a home port with particular emphasis on port development in terms of attracting new technologies and special cargo;
- Measure 2.4.1.6.** Specialise the Šibenik port as a port for exclusive cruising vessels of smaller capacities (boutique vessels) and super-yachts;
- Measure 2.4.1.7.** Redefine port development plans in conformity with the policy of further development the planned Adriatic – Ionian Corridor.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Cargo traffic in ports of special (international) economic interest for the Republic of Croatia	Millions of tonnes of cargo	19	Ministry of Maritime Affairs, Transport and Infrastructure	20	23	30

In the past 10 years, the Republic of Croatia has invested more than EUR 600 million into the port sector, through international financial institutions, the State Budget of the Republic of Croatia and the own funds of port authorities. In this context, the questions arises of the justifiableness of further state investments without prior specialisation of particular ports. The Republic of Croatia is too small a country to stimulate the development of same or similar ports in a relatively restricted area (and port market), and therefore suggests the specialisation of each port.

This specialisation does not impede business entities which have or will acquire a valid concession to the economic use of a port to develop the port for an additional purpose; however, the specialisation of such a port is primarily the responsibility of the concession holder, rather than of the port authority or the State Budget of the Republic of Croatia.

OBJECTIVE 2.4.2. Achieve self-sustainability of the port system along with increasing its efficiency

Method of achieving the objective:

- Measure 2.4.2.1.** Reduce the share of state co-financing of port infrastructure projects by providing more favourable conditions for private capital investments in the construction of port infrastructure and specialised port terminals (development of public-private partnerships);
- Measure 2.4.2.2.** Increase the efficiency and quality of services to ensure transport route competitiveness;
- Measure 2.4.2.3.** Stimulate the development of ports as logistics centres integrated in multimodal routes, as well as attract high-duty cargo to ports;
- Measure 2.4.2.4.** Strengthen the unified management of the port system by optimising and merging common functions especially in ports on the county (regional) level, as well as harmonise and standardise the business processes of port authorities;
- Measure 2.4.2.5.** Stimulate the development of the port infrastructure for the purpose of developing coastal liner shipping, passenger and Ro-Ro transport, primarily by developing the infrastructure of county ports;
- Measure 2.4.2.6.** Provide the infrastructure required for the provision of services supplying LNG fuel and other alternative fuels, depending on market needs;
- Measure 2.4.2.7.** Build and modernise onshore transport infrastructure and transport in port areas as well as transport connections of the ports with the hinterland, especially in the railway traffic segment;

Measure 2.4.2.8. Improve the availability and cost-effectiveness of energy efficiency and environmental pollution prevention systems in ports, including the acceptance of waste and cargo residues, integrated in the general pollution prevention and waste management systems;

Measure 2.4.2.9. Implement an education and certification system for dock workers in order to raise the levels of safety, throughput and quality of services.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Share of state budget funds of the Republic of Croatia with which the substructure projects in ports of special (international) economic interest in the Republic of Croatia are co-financed	% of project co-financing	77	Ministry of Maritime Affairs, Transport and Infrastructure	84	80	70

OBJECTIVE 2.4.3. Revitalise the already constructed port capacities and construct new ones

Method of achieving the objective:

Measure 2.4.3.1. Establishing the Republic of Croatia as a regional centre for the transshipment of liquefied natural gases;

Measure 2.4.3.2. Expand port areas to all existing boat mooring facilities, and expand the anchorage maritime zone;

Measure 2.4.3.3. Increase the capacities of municipal parts of public ports by 30%, or construct new municipal ports if increasing current capacities is not possible;

Measure 2.4.3.4. Provide adequate capacities and standards of unloading points for the fishing fleet, especially in county and local ports;

Measure 2.4.3.5. Make use of unused and abandoned former industrial, military or similar objects for the purpose of economic development;

Measure 2.4.3.6. Stimulate the establishing of service centres for vessel repair and outfitting.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of ports for which the expansion of the port area for the purpose of economic use was carried out	Number ¹⁵	13	Ministry of Maritime Affairs, Transport and Infrastructure	30	55	80

¹⁵ The data are cumulatively added up starting from the baseline value.

2.5. Nautical tourism

The indentedness of the coast and islands, as well as the clean and biodiverse Adriatic Sea, are the foundations on which to build the preconditions and plans of the future economic growth of the Republic of Croatia, because they represent rare strategic advantages that Croatia has on a global level.

Even though the basics of the strategic orientation of nautical tourism are established in the Croatian Nautical Tourism Development Strategy for period from 2009 to 2019, as well as the Tourism Development Strategy up to 2020, this chapter determines the objectives and suggested actions based on the revision of previously suggested actions and their results, with the main goal of correcting the objectives and actions that were not achieved with the planned dynamics. The expected results were not achieved either. In that sense, this document is the first check point of previously established strategic orientations.

In conformity with the Strategy for Sustainable Development of the Republic of Croatia (Official Gazette, No. 30/2009) which stipulates the achievement of stable economic development, a fair distribution of social opportunities and environmental protection, under the assumption of cooperation of all stakeholders, it is necessary to work on the decrease of pressure on the marine and coastal environment, resulting from nautical tourism development. With the development of nautical tourism, the Republic of Croatia is being increasingly promoted as a prominent and significant tourist destination. In this context, marine environment protection must be a priority, since a preserved natural environment is a precondition for the future development of this industry branch.

Since even now a sustainable growth with a moderate development scenario of constructing new moorings remains the basic strategic orientation, the potential for further growth is seen in abandoning the current operating principles that we can refer to as the 'parking economy'. At this point, nautical ports generate an income of around EUR 90 million, with the largest portion, in some cases over 80%, being mooring revenues. All further income increases are exclusively linked to constructing new berthing places, so the main criticism of the established strategic goals was directed at the slowness of granting concessions for these berthing places. On the other hand, aiming at a broader spectrum of services in nautical tourism, their availability all year long and constant improvement of their quality leads to increasing income and a generally higher economic utilisation of the existing spatial capacities.

The Republic of Croatia is one of the most significant global charter¹⁶ destinations, so even in times of a global economic crisis, we register a constant growth in this business. The fleet of active yachts and boats consists of 3,658 vessels used by 300,000 nautical tourists annually. The direct income of this branch of nautical tourism is estimated to around EUR 150 million, which is why it represents the most financially significant segment of nautical tourism. The potential to further developing chartering lies in improving the service quality, as well as expanding the offer of luxury vessels that are not adequately represented at the moment, since there are only two yachts over 40 meters in length in the charter fleet.

In the past few years there has been a significant step forward in improving the quality of the small vessel excursion fleet. The national programme to construct new and reconstruct the existing vessels includes a total of 97 vessels. Even though that is almost 20% of registered passenger vessels, the boats are on average very old - over 45 years.

¹⁶ Charter services include vessel charter services or services of accommodation on board in internal waters and the territorial sea of the Republic of Croatia in accordance with special regulation that regulates the provision of services in nautical tourism.

In addition to the aforementioned economic capacities of boats, yachts and vessels, we can't forget that around 60,000 foreign yachts and boats visit the Adriatic every year, with around 300,000 tourists, sea enthusiasts and those seeking an active vacation.

The proposed measures are primarily concerned with navigation as a maritime segment of nautical tourism that represents all the activities that refer to, and are vital for, sea navigation, regardless of whether they are navigation skills, vessels or reception capacities, and services directly linked to the aforementioned factors.

OBJECTIVE 2.5.1. Establish Croatia as the most significant nautical tourism destination in Europe and the Mediterranean

Method of achieving the objective:

Measure 2.5.1.1. Appropriately expand the principles of a stimulative taxation policy applied to international shipping to yachts as well;

Measure 2.5.1.2. In order to kickstart nautical tourism, establish a new training system for nautical tourists based on global standards;

Measure 2.5.1.3. Encourage the construction of new and relocating the existing dry docks to warehouse and service centres, or to business zones outside the protected coastal area;

Measure 2.5.1.4. Encourage the implementation of existing environmental standards in protecting the marine environment, directed at all of the links in the nautical chain simultaneously (nautical tourist - vessel - port) as a common interest and task;

Measure 2.5.1.5. Support the construction of new nautical ports in existing urban areas with existing utility infrastructure, especially with wastewater treatment systems;

Measure 2.5.1.6. Establish an interdepartmental programme to construct and reconstruct the fleet of ships, boats and yachts intended for nautical tourism.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Total number of boats and yachts navigating the internal waters and territorial sea of the Republic of Croatia under the Croatian or foreign flag	Number	180,015	Ministry of Maritime Affairs, Transport and Infrastructure	180,500	184,000	187,000

3. SAFE AND ENVIRONMENTALLY SUSTAINABLE MARITIME TRANSPORT, MARITIME INFRASTRUCTURE AND MARITIME SPACE OF THE REPUBLIC OF CROATIA

Safe and environmentally sustainable maritime transport, maritime infrastructure and maritime space of the Republic of Croatia is the strategic goal that can be fulfilled by a coordinated realization of specific objectives from the field of Navigation safety, safety of human lives and property and maritime ship and port security, in regard to specific objectives of marine environment protection, where the objectives of maritime transport and infrastructure safety, vessel safety and general safety in the maritime space of the Republic of Croatia form the basis and the precondition for achieving the goals of marine environment protection.

Specific objectives in Chapter 4 Administrative Capacity Strengthening and Chapter 5 Maritime Knowledge and Culture Strengthening are the fundamental objectives which essentially constitute the condition for the effective achievement of these goals.

3.1 Navigation safety, safety of human lives and property, and maritime ship and port security

The dynamics of human activity at sea and in coastal areas record a continuous increase. In Croatian ports alone about 500.000 vessels annually (annual average for the period 2008- 2012) are recorded entering and leaving port in domestic and international traffic, where 41 % of the annual traffic takes place in the three summer months of intense passenger and ferry traffic (from 15 June until 15 September 2012). In the segment of maritime traffic of pleasure crafts, alongside 120.000 boats and yachts under the Croatian flag, 60.000 foreign boats and yachts also participate in maritime traffic annually. In 2012, 1,354 marine accidents have been recorded in the maritime space of the Republic of Croatia, while 413 search and rescue operations at sea involving human lives and property are performed annually (annual average for the period 2008-2012).

Today the competitive maritime sector is an economic activity which must be based on the principle of sustainability and efficiency as an economic category, but certainly also on sustainability with regard to negative impacts on the quality of life and its environment. The basic preconditions of such sustainability are the safety and technical correctness of vessels and maritime structures and the safety of developed waterways and ports as the basic maritime transport infrastructure.

In the time of the global economic crisis, which we have witnessed in the recent years, the intensity of economic activity has been somewhat reduced, leading to a proportional reduction in the volume of maritime transport. In the period from 2008 to 2010, maritime transport records a decrease of at least 10 % at the level of the European Union, while in Croatia that number is 17 %.

At first glance, these data point to a reduction of the pressure exerted on the marine environment by maritime transport, but this is only partially correct. Although the volume of maritime transport has been reduced, due to low freight rates in maritime traffic shipping companies are confronted with a relative increase of ship maintenance costs, which then leads to a rationalization of investment in their safety. Under the circumstances of the economic crisis, the threat to the environment from sub-standard vessels is rising, while the probability of marine accidents increases proportionally to the decrease in the living and working conditions of seafarers onboard such vessels.

Such trends require our comprehensive and thorough application, as well as active participation in

the development, of the highest standards of navigational safety on the international, European, regional and national levels, in order to effectively reduce dangers for maritime navigational undertakings of Croatian vessels, as well as to reduce the possibility of marine accidents and the negative consequences of those accidents in maritime transport in the Adriatic Sea.

In the previous pre-accession period significant progress has been made in improving the quality of vessels in international navigation sailing under the Croatian flag and, since 2010, the Croatian fleet has been on the "White List" of the Paris Memorandum. Considering its structure and age, the Croatian fleet in domestic navigation especially requires further efforts in navigation safety development, which should be directed towards the early detection and prevention of every potential marine accident or disaster.

In the fields of marine accident prevention and navigation safety culture development, significant steps forward have been made in recent years, both regarding the regulatory mechanisms and the public safe navigation services which include a wide scope of activities of the Republic of Croatia as a coastal country. In 2012, 687 lighthouses and other navigation safety facilities were operational in the Republic of Croatia.

Alongside the improvements and the technological development in hydrographic activities, as well as the maintenance and construction of waterways and navigation safety facilities, the organizational and technological basis of the Vessel Traffic Management and Information Service (VTS Croatia) has been formed and, in 2012, the Service started fully monitoring the vessel traffic on inland waterways, in the territorial sea and in the protected ecological and fishing zone of the Republic of Croatia, as the so-called maritime operational service.

Further steps in the evolution of these services will be connected with the development and modernization of the mandatory ship reporting system and the traffic routing and separation schemes, as well as with the improvement of quality of information services for maritime shipping in accordance with the international and European *e-Maritime*¹⁷ and *e-Navigation*¹⁸ initiatives, all with the aim of improving the safety, but also increasing the efficiency of maritime transport.

Since 1998, public safe navigation services include structured operation, of the maritime search and rescue service which, according to the International Convention on Maritime Search and Rescue (SAR Convention), provides assistance to parties involved in marine accidents and support services (Maritime Assistance Service), and takes action in case of other emergency situations at sea, including marine pollution. In the following period, improving the quality and availability in providing assistance at sea is a national priority which ought to be approached through integrated operational solutions and modern technical resources.

The maritime economy must develop in a safe and sustainable way. Attempts to create a strong growth potential for maritime economy must conform to safety requirements and the development of public navigation safety services.

¹⁷ *E-Maritime* is an initiative aiming at accelerated application of advanced information technologies in everyday operations of the maritime sector. You can find out more about *e-Maritime* on http://ec.europa.eu/transport/modes/maritime/e-maritime_en.htm;

¹⁸ *E-Navigation* is a concept developed by the International Maritime Organization. It aims to increase the safety of world shipping through better organization and a better method for exchanging relevant data on both inland and sea shipping.

OBJECTIVE 3.1.1. Continuously increase the efficiency level of the supervision of safety and security of Croatian vessels and maritime structures

Method of achieving the objective:

Measure 3.1.1.1. Develop a system of targeted inspection and technical supervision of the application of the highest international, European and domestic standards for safety on Croatian vessels and maritime structures according to set priorities, monitoring the work of recognized organizations for statutory certification, companies, shippers and owners of Croatian vessels;

Measure 3.1.1.2. Improve the system of investigation of marine accidents and the application of recommendations of safety investigations in collaboration with the entire maritime community;

Measure 3.1.1.3. Establish a system for keeping and exchanging data on all Croatian vessels and maritime structures, including data on the technical characteristics, legal status, inspections and technical examinations, etc.;

Measure 3.1.1.4. Increase the security level of the Croatian fleet in areas of pirate attacks;

Measure 3.1.1.5. Establish an effective system of control over the market placement of pleasure craft and marine equipment.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of arrests of Croatian ships in national and international navigation	Number of arrests (National navigation/international navigation)	55/2	Ministry of Maritime Affairs, Transport and Infrastructure	40/1	35/1	30/1

OBJECTIVE 3.1.2. Continuously increase the port safety and security level

Method of achieving the objective:

Measure 3.1.2.1. Build and maintain port infrastructure and superstructure in the function of navigation safety;

Measure 3.1.2.2. Develop a targeted port and navigation safety facility monitoring system;

Measure 3.1.2.3. Increase the level of security in Croatian ports by equipping them with appropriate security equipment and instruments, and the development of a comprehensive approach to the port security system.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Share of established irregularities in relation to the total number of port inspections	%	61 ¹⁹	Ministry of Maritime Affairs, Transport and Infrastructure	46	36	25

¹⁹ The baseline value was obtained by dividing the total number of irregularities (208) with the number of inspections (339 inspections)

OBJECTIVE 3.1.3. Reduce and ultimately remove substandard vessels from the internal waters and the territorial sea of the Republic of Croatia

Method of achieving the objective:

Measure 3.1.3.1. Improve the conduct of inspections of foreign ships which sail into Croatian ports based on the European Union and the Paris Memorandum guidelines;

Measure 3.1.3.2. Establish a system of early detection of substandard ships and the measures for preventing their navigation in the Republic of Croatia.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of individual ships inspected whose flag is on the special inspection list of the Paris MoU in relation to the total number of ships under those flags which have sailed into ports of the Republic of Croatia	%	29 ²⁰	Ministry of Maritime Affairs, Transport and Infrastructure	45	55	70

OBJECTIVE 3.1.4. Continuously increase the navigation safety level in internal waters, the territorial sea and the protected ecological and fishing zone of the Republic of Croatia

Method of achieving the objective:

Measure 3.1.4.1. Determine and classify navigable areas and waterways in order to optimize and improve safety at sea;

Measure 3.1.4.2. Develop traffic management systems for internal waters and the territorial sea, as well as outside the territorial sea of the Republic of Croatia, in cooperation with the coastal countries of the Adriatic;

Measure 3.1.4.3. Establish comprehensive Vessel Traffic Management and Information Services (VTS) in internal waters and the territorial sea of the Republic of Croatia in technical and operational segments;

Measure 3.1.4.4. Build and modernize navigation safety and marine signalling facilities and improve the existing maritime radio communication systems;

Measure 3.1.4.5. Perform hydrographic measurement of sea space, up to the sea depth of 15 m, according to priorities established in accordance with Measure 3.1.4.1.;

Measure 3.1.4.6. Establish a system of early detection and removal of security risks in maritime traffic through the development and application of the e-Navigation concept of collecting, exchanging and analysing data regarding navigation safety, especially for ships on cruises;

Measure 3.1.4.7. Improve the safety of transport and handling of hazardous and noxious substances both inside and outside port areas.

²⁰ There were a total of 145 sailings into port in internal waters and the territorial sea of the Republic of Croatia by those foreign ships whose flag was on the Paris Memorandum Black List. Of that number, 118 were individual ships (the difference from the total number of sail-ins is due to some ships having called to port several times), of which 35 ships were inspected according to the Paris Memorandum criteria. In this connection, we arrive at the baseline value of 29.6 % of ships having been examined (100 %).

Output indicator	Unit	Baseline value (2010-2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Three-year average number of marine accidents in internal waters and the territorial sea of the Republic of Croatia	Number	1272 ²¹	Ministry of Maritime Affairs, Transport and Infrastructure	1240	1200	1145

OBJECTIVE 3.1.5. Continuously increase the level of response in case of a threat to human lives and property at sea

Method of achieving the objective:

Measure 3.1.5.1. Reorganize and modernize the maritime search and rescue service on principles of increasing the availability and quality of service;

Measure 3.1.5.2. Build, modernize and simultaneously increase the availability of the search and rescue fleet of harbourmaster's offices;

Measure 3.1.5.3. Ensure the constant availability of air search and rescue units in the service of maritime search and rescue;

Measure 3.1.5.4. Develop the concept of an integrated response to emergency situations at sea and the AdriaGIS system as the basic technological solution.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of human losses in regard to the total number of interventions	%	6.3 ²²	Ministry of Maritime Affairs, Transport and Infrastructure	5.8	4.5	3.5

²¹ The number of marine accidents in 2010 amounted to 1317, in 2011 the number was 1147, and in 2012 1354;

²² The baseline value was obtained by dividing the total number of death cases (27) with the total number of interventions (425).

3.2. Marine environment protection

Responsible marine environment protection combines the elements of marine ecosystem protection and coastal area protection as an integral whole, and undertakes measures to prevent the pollution of the sea and air from ships and other sources of environmental pollution in maritime transport.

The area of sovereignty and sovereign rights of the Republic of Croatia includes the most valuable, but also the most vulnerable natural system consisting of the Adriatic Sea, its coast and its islands. Intense maritime traffic in the Adriatic Sea basin includes a significant risk of accidents, and thus also a strong potential impact on the marine environment. Considering the geomorphological characteristics of the Adriatic as a semi-closed sea basin, the impact of one single accident can be fatal for the Croatian economy, which is essentially oriented towards the activities in the coastal area and at sea. This obliges the Republic of Croatia, as a coastal country of the Adriatic, to devote special attention, both independently and in cooperation with other countries, to the protection of the Adriatic Sea in terms of its use, as well as its preservation.

In accordance with the development of the Marine Environment and Coastal Area Management Strategy of the Republic of Croatia, which ensures the achievement and maintenance of a good state of marine environment until 2020, it is necessary to devote special attention to environmental protection, as well as to the preservation and enabling of the recovery of marine and coastal environmental systems, and to protect the biodiversity and sustainable use of the sea and the coastal area. It is also necessary to pay attention to the preservation of protected areas in the sea and of the environmentally important areas of the European Union Nature 2000 network, as well as to the reduction of pollution or pressure in the marine and coastal environment in order to prevent negative impacts and risks for human health and/or the health of environmental systems, and/or for the use of the sea and coast.

Significant negative impacts of maritime transport on the marine environment are the ones causing sudden and operational sea pollution from vessels and maritime structures, especially accidents during the transport of oil and oil products, as well as the dumping of ship waste and cargo residue into the sea.

Sudden pollutions are a subject of the transnational Sub-Regional Contingency Plan for Prevention of, Preparedness for and Response to Major Marine Pollution Incidents in the Adriatic Sea, as well as of the national Contingency Plan for Accidental Marine Pollution (Official Gazette, number 92/2008).

Significant pressure on the marine environment and damage to its quality has recently been caused not just by the classic shipping, but also by the increased nautical tourism development, which has negative impacts, manifested especially through the amount of waste and foul sewage, so that it becomes necessary to develop technical, technological and organisational measures to establish an efficient system for the acceptance of waste from ships, as well as to improve the conditions for efficient ship and marine waste management.

Beside the traditional forms of pollution, in recent years we have been confronted with the threat of silent pollutants, invasive marine organisms transported by ballast waters. By setting high criteria in the Ordinance on Ballast Water Management and Control, we prohibited the ballast water exchange in the Adriatic, which brought us a step ahead many of the European Union countries, and this initiative should be reinforced in the following period.

Each of the above issues bears serious environmental risks with irremediable results. By recognising this problem and the pressures exerted on the marine environment, we find it indispensable to undertake protection measures relating to the navigation safety and the protection of marine waters from pollution, as well as to apply the solutions and systems aiming at the reduction of accidents at sea and the pollution to the environment in order to achieve goals related to safety and climate change.

Continuous work has been done on the draft proposal for declaring the Adriatic Sea a Particularly Sensitive Sea Area (PSSA), including the proposal of additional safety measures in the field of ballast water management. This institute of the MARPOL²³ Convention is considered by the Republic of Croatia as the priority tool for efficient marine environment protection of the Adriatic Sea in all coastal countries of the Adriatic.

The area requiring special attention includes the development and implementation of air protection policy through the reduction of ship emissions according to the MARPOL Convention and the European Union legislation, as well as the adjustment of the Croatian maritime system to global and European plans.

OBJECTIVE 3.2.1. Prevent environmental pollution and the harmful impact of vessels and maritime structures on the Adriatic Sea

Method of achieving the objective:

- Measure 3.2.1.1.** Declare the Adriatic Sea a Particularly Sensitive Sea Area in cooperation with the coastal countries of the Adriatic in accordance with the International Maritime Organisation (IMO) guidelines;
- Measure 3.2.1.2.** Place the National and Sub-Regional Contingency Plan for Accidental Marine Pollution in full operational application
- Measure 3.2.1.3.** Train and equip the inspection services at harbourmaster's offices and other competent services of the Ministry for detection and prosecution of pollution perpetrators;
- Measure 3.2.1.4.** Form common inventories of emissions and common approaches to evaluation of shipping and its impact on air pollution in countries in the area of the Adriatic and Ionian seas;
- Measure 3.2.1.5.** Ensure the conditions for a sustainable and available service of acceptance and disposal of ship waste and cargo residues.
- Measure 3.2.1.6.** Conduct training and organise practical work subject to the application of prescribed procedures in case of a ship's request for a place of refuge.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Pollution of the sea and the maritime domain from vessels and maritime structures	Number of cases	47	Ministry of Maritime Affairs, Transport and Infrastructure	45	40	32

²³ *International Convention for the Prevention of Pollution from Ships, better known as MARPOL (acronym for Maritime Pollution), is an international agreement aiming to completely eliminate deliberate or accidental pollution of the marine environment from ships by all substances harmful for humans and other living beings, and the use of the sea.*

OBJECTIVE 3.2.2. Reduce the harmful impact of the transfer of living aquatic organisms and pathogens through maritime transport (ballast waters and overgrowing)

Method of achieving the objective:

Measure 3.2.2.1. In cooperation with other Adriatic countries, establish a system for "early reporting" in the prevention of transfer of harmful aquatic organisms through ballast waters;

Measure 3.2.2.2. Strengthen the monitoring of ballast water management on the basis of risk assessment and in accordance with internationally coordinated guidelines.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Sampling of ballast waters	Number of samplings	0	Ministry of Maritime Affairs, Transport and Infrastructure	4	8	14

OBJECTIVE 3.2.3. Reduce the harmful impact of pollution from vessels and maritime structures

Method of achieving the objective:

Measure 3.2.3.1. Introduce and apply standards of professional training and certification of participants in interventions during pollution from ships;

Measure 3.2.3.2. Ensure a specialised ship for interventions in case of large-scale sea pollutions, and renew and modernize the fleet of cleaner ships;

Measure 3.2.3.3. Ensure the availability of equipment and devices for interventions in case of sea pollution in the economic zone of the Republic of Croatia, its territorial sea and internal waters.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Sea pollution established through the "Clean sea net" ²⁴ , with respect to the number of received warnings	%	7	Ministry of Maritime Affairs, Transport and Infrastructure	6	5	4

²⁴ Since 30 May 2008, the Republic of Croatia has been a full member of the 'CleanSeaNet' service as part of the European Maritime Safety Agency (EMSA), which makes it an active participant in the European system of satellite oil spill monitoring and detection. In accordance with the EU Directive 2005/35/EC of the European Parliament and of the Council of 07 September 2005 on ship-source pollution and on the introduction of penalties for infringements (OJ L 255, 30.9.2005), which has been fully transposed in the legal order of the Republic of Croatia by the Criminal Code (OG 125/11), the tasks of the Agency have been regulated with the intention of providing assistance to the European Union Member States in activities concerning the supervision of oil spills, and the 'CleanSeaNet' service, a supervision system based on satellite monitoring and supervision of oil spills in European waters, has been developed. This system ensures timely communication of detailed information on observed oil spills in the waters of the Member States, as well as the communication of available satellite images and data on the location of potential oil spills.

OBJECTIVE 3.2.4. Ensure consistent application of international and European standards of environmental protection with respect to pollution from vessels and maritime structures of Croatian nationality

Method of achieving the objective:

Measure 3.2.4.1. Improve the system of inspection of maritime vessels of Croatian nationality for the purpose of ensuring comprehensive application of the provisions of national legislation and international standards related to the protection of the marine environment from pollution;

Measure 3.2.4.2. Stimulate the development of new technologies and continuously monitor and improve the rules, regulations and procedures in order to prevent, reduce and control pollutions of the marine environment which can be caused by drilling, dredging, excavation, waste removal, pipeline laying and other undersea activities.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of determined irregularities under MARPOL with respect to the number of inspections	%	58 ²⁵	Ministry of Maritime Affairs, Transport and Infrastructure	50	45	40

In the field of marine environment protection the following measures have been identified as common measures which have to be implemented through all indicated objectives:

Method of achieving the objective:

Measure 3.2.5. Establish the Adriatic convention for the protection of marine waters from pollution on the basis of the Agreement on Cooperation for the Protection of the Adriatic Sea and Coastal Areas from Pollution of 14 February 1974 between the former Yugoslavia and the Italian Republic to address environmental issues in the Adriatic region in a multidisciplinary manner;

Measure 3.2.6. Actively participate in the adoption of proactive international and European Union policy measures with respect to the application of global standards in prevention and marine environment protection;

Measure 3.2.7. Ratify and apply the conventions of the International Maritime Organisation in the field of environmental protection - the International Convention on the Removal of Wrecks, the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (the HNS Convention), the Ship Recycling Convention;

Measure 3.2.8. Strengthen the instruments of international, regional and sub-regional cooperation between the coastal countries of the Adriatic Sea in the field of navigation safety and marine environment protection.

²⁵ The percentage of determined irregularities was obtained by dividing the number of deficiencies (131) with the total number of inspections (226).

4. ADMINISTRATIVE CAPACITY STRENGTHENING

The objectives and measures in this chapter are aimed towards the common use of available resources, better coordination of public services and organisational adjustment of public service provision systems in the manner which will lead to its better effectiveness and compliance with accepted criteria and growing requirements which the membership in the European Union includes, for the purpose of achieving strategic goals of developing a competitive, safe and environmentally sustainable maritime economy of the Republic of Croatia, as established in the Strategy. Specific objectives of this chapter serve as the base for successful realisation of all other specific objectives.

Cost-effective and efficient provision of public services, regardless of whether they are services provided to citizens or economic operators, is one of the criteria by which the competitiveness of a particular country is determined, and at the same time it is the element of functioning of a particular country which is subject to constant assessments of foreign citizens who visit this country for personal or business reasons.

The constant focus on the end user of the service and the fulfilment of user's needs, whereat a proactive approach is preferred, is the basis for the creation of a legislative, organisational and technological framework which will contribute to the faster development of maritime economy. The proactive approach also means preventive action in the areas where the country performs monitoring and inspection activities.

Because of the dedication of International Maritime Organisation and the European Union, oriented towards providing the public services in the maritime sector and based on the principles of international standards of quality management, the Croatian maritime administration was the first central body of state administration in the Republic of Croatia which got certified in 2001 in accordance with the requirements of the ISO 9001 international standard. By accepting these standards, besides the obligation of constant service quality improvement, the work of maritime administration is subject to periodical evaluations by the above-mentioned international institutions, as well as independent auditors.

The human factor, in other words, a motivated and trained employee, is the key element of quality and success of the entire public services provision process. By taking into consideration the fact that specialist personnel on the world labour market, constituting the largest number of employees in maritime administration, earn incomes which exceed incomes in the state and public services by severalfold, employing and retaining specialist personnel in maritime administration will be one of the biggest challenges in achieving strategic objectives

Possible solutions for this problem of lack of personnel are a more effective organisational structure and the use of new technologies. Although at this moment the Croatian Ministry of the Sea, Transport and Infrastructure has six electronic public services which enable the provision of public internet services for more than 700,000 client requests per year, there are still some areas in which significant improvements can be made in e-activities of the maritime administration towards the economy, as well as between the maritime administration and other providers of public services, which do not require significant financial costs with respect to other measures.

OBJECTIVE 4.1. Ensure consistent application of international obligations of the Republic of Croatia as a flag state, port state and coastal state

Method of achieving the objective:

- Measure 4.1.1.** Participate in the work of the International Maritime Organization (IMO) and International Labour Organization (ILO), International Hydrographic Organization (IHO), and the European Union and its professional associations;
- Measure 4.1.2.** Apply international standards, recommendations and guidelines in national legislation, and ensure the effective implementation and monitoring;
- Measure 4.1.3.** Ensure coordinative mechanisms between competent authorities, and cooperate with other participants from the sector.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of identified nonconformities per international monitoring - Croatian maritime administration, the goal of which was to establish the level of compliance of regulations, rules and procedures of a member state which is being monitored (IMO, EC, EMSA etc.)	Number of nonconformities	23	Ministry of Maritime Affairs, Transport and Infrastructure	23	20	18

OBJECTIVE 4.2. Ensure the provision of effective public maritime administration service for the purpose of development of maritime economy

Method of achieving the objective:

- Measure 4.2.1.** Improving organisational structure of maritime administration including state authorities, legal entities with public authority and public institutions responsible for maritime industries;
- Measure 4.2.2.** Strengthening administrative capacities of bodies responsible for navigation safety and bodies responsible for the maritime domain, as required by the European Union and the needs of maritime economy;
- Measure 4.2.3.** Establish effective and the publicly available information exchange system from registration registers based on principles of interoperability;
- Measure 4.2.4.** Promote the competence of maritime administration through continuous education, and a reward and promotion system based on effectiveness.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of individual public services performed per number of employees in maritime administration	Number of services performed per employee	2121 ²⁶	Ministry of Maritime Affairs, Transport and Infrastructure	2150	2200	2350

²⁶ Baseline value was obtained in such a way that the total number of services (700,000) was divided with the number of employees of the maritime administration (330)

OBJECTIVE 4.3. Eliminate administrative barriers for the purpose of development of maritime economy

Method of achieving the objective:

Measure 4.3.1. Establish e-services for all users of public services with particular emphasis on the development of the Croatian Integrated Maritime Information System (CIMIS) as a "single window" system in accordance with the *acquis communautaire* and the needs of maritime economy;

Measure 4.3.2. Develop and establish the "e-Maritime concept" with the aim of implementing further reliefs for acceptance and dispatch of ships in international shipping;

Measure 4.3.3. Re-examine and reduce part of the parafiscal taxes;

Measure 4.3.4. Establish a "One Stop Shop" for public services in the maritime industry;

Measure 4.3.5. Simplify the processes for keeping the registries and records of vessels.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of maritime administration's electronic public services used	Total number of services	6	Ministry of Maritime Affairs, Transport and Infrastructure	8	10	12

OBJECTIVE 4.4. Establish the system of integrated coastal and maritime area management

Method of achieving the objective:

Measure 4.4.1. Develop tools for the systematic management of coastal areas and particularly maritime domain with the establishment of the maritime domain land register;

Measure 4.4.2. Establish a Strategic Plan for the management of the maritime domain;

Measure 4.4.3. Strengthen the administrative capacities in order to finish the entire work of registering the maritime domain until 2020;

Measure 4.4.4. Develop spatial data infrastructure for coastal area and the accompanying maritime zone (MSDI) within the national spatial data infrastructure (NSDI), as well as ensure linkage with national, regional and global initiatives and data infrastructures in order to ensure data availability and interoperability in accordance with relevant regulations.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Percentage of recorded ²⁷ limits of the maritime domain	%	3	Ministry of Maritime Affairs, Transport and Infrastructure	10	45	100

²⁷ Decision of the Commission for maritime domain limits of the Ministry of Maritime Affairs, Transport and Infrastructure establishes the limits of the maritime domain. Based on that Decision, the applicant undertakes to procure a geodetic report for the purpose of registration of the specified maritime domain in the land register. Accordingly, when the maritime domain is registered as such in the land register based on the established maritime domain limits and the geodetic report, the limits are considered recorded. Basically, the maritime domain limit is considered recorded after registration of the specified maritime domain in the land register in the ownership page – the title deed.

OBJECTIVE 4.5. Increase maritime domain concession revenues**Method of achieving the objective:**

Measure 4.5.1. Simplify procedures for granting maritime concessions;

Measure 4.5.2. Analyze the model of determining the concession fee to create a new system that will generate higher revenues;

Measure 4.5.3. Increase monitoring activities and payment mechanisms for maritime domain concession fees.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
The Republic of Croatia budgetary central government revenue from maritime domain concessions	Million kunas	80	Concessions register	90	120	160

5. STRENGTHENING OF MARITIME KNOWLEDGE AND CULTURE

The history of the Republic of Croatia has always been deeply connected with the sea. Our history is reflected in a number of key maritime events which have undoubtedly determined our identity, cultural heritage, development and viability in this area. We can consider this heritage to be the wealth of our diversity, which forms a part of entire inheritance and represents the intangible asset of traditional knowledge, presented to us by various generations of our seafarers, shipbuilders, fishermen and many others.

Therefore, we can say that maritime and historical heritage is impossible to preserve without the constant care in the area of protection, popularisation, presentation and revitalization of cultural goods of maritime heritage.

Often the necessity of stepping forward from the attribute of a coastal country into the maritime country is pointed out. Strengthening of maritime knowledge and culture, as well as further development of scientific activity, is the basis of maintaining a positive trend of developing a competitive, safe and environmentally sustainable maritime economy of the Republic of Croatia and revitalization and sustainability of Croatian maritime sector in general.

Within this objective, it is important to ensure the synergy of maritime economy, civil society, scientific institutions and all those who live from the sea and live with the sea. Likewise, it is expected from the Republic of Croatia as a responsible member of the European Union, by taking into consideration its geo-strategic location along the east coast of Adriatic, its historical heritage, accumulated knowledge and modern economic accomplishments, as well as the potential in the field of the maritime, to significantly contribute to thoroughly thinking and defining the maritime policy of the EU.

OBJECTIVE 5.1. Strengthen international recognition of the Republic of Croatia as a maritime country

Method of achieving the objective:

Measure 5.1.1. Ensure the effective representation of the interests of the Republic of Croatia in the International Maritime Organisation and other bodies of the European Union;

Measure 5.1.2. Form the Maritime Forum for the purpose of knowledge exchange and definition of future strategic orientations of the standings of RoC in international bodies;

Measure 5.1.3. Stimulate the organisation of international groups in the maritime field.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Participation of representatives of Croatian maritime administration on conventions of international maritime institutions and organisations (IMO, ILO, IHO, IALA, ECSA, ESPO, etc.)	Number	2 ²⁸	Ministry of Maritime Affairs, Transport and Infrastructure	4	6	10

²⁸ The data are cumulatively added up starting from the baseline value.

OBJECTIVE 5.2. Develop knowledge on the sea and the maritime

Method of achieving the objective:

Measure 5.2.1. Promote scientific achievements and scientific research in the maritime field;

Measure 5.2.2. Encourage the publishing activity with the purpose of promotion of the maritime sector and maritime orientation;

Measure 5.2.3. Encourage the organisation of professional and scientific groups in the maritime field.

Output indicator	Unit	Baseline value (2012 - 2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of scientific papers from the field of maritime sector quoted in international specialist magazines	Number	35 ²⁹	National and University Library Zagreb (Science Citation Index) ³⁰ Science Citation Index Expanded (SCI-EXPANDED) --1955-present (field: Engineering, Marine and Engineering, Ocean, Ports, maritime ports, maritime transport, shipping, port safety, safety of navigation, coastal liner service; in combination with the Address: Croatia or Hrvatska; year: 2012.	70	110	150

OBJECTIVE 5.3. Promote historical values and maritime inheritance of the Republic of Croatia

Method of achieving the objective:

Measure 5.3.1. Preservation and revitalization of traditional and historical vessels and buildings;

Measure 5.3.2. Stimulate systematic gathering of the maritime historical material (through museums, journals etc.);

Measure 5.3.3. Promote traditional trades and occupations in the maritime sector.

Output indicator	Unit	Baseline value (2012)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of visitors of maritime museums in the Republic of Croatia	Number	90,000 ³¹	Museum documentation centre	95,000	100,000	120,000

²⁹ The data are cumulatively added up starting from the baseline value.

³⁰ The National and University Library in Zagreb is taken as the relevant source of information, given that it publishes for the Croatian academic community certificates of representation and citation of scientific works in relevant databases, certificates of representation of magazines for editorial purposes of domestic, scientific and specialist magazines, as well as certificates of the Impact Factor of particular magazines for specific years.

³¹ Data on the number of visitors in maritime museums for the following museums: Dubrovnik Museums - Maritime Museum, Croatian Maritime Museum Split, Maritime and History Museum of the Croatian Littoral in Rijeka

OBJECTIVE 5.4. Proactive media representation

Method of achieving the objective:

Measure 5.4.1. Encourage the production of documentary shows about the maritime sector;

Measure 5.4.2. Create and implement promotional media campaigns on the subject of maritime sector development;

Measure 5.4.3. Encourage the promotion and recognisability of the Croatian flag.

Output indicator	Unit	Baseline value (2013)	Source	Target value (2015)	Target value (2017)	Target value (2020)
Number of regular shows about the maritime sector which are broadcasted on the radio and televisions on the national level	Number	2	Ministry of Maritime Affairs, Transport and Infrastructure	2	3	4

6. IMPLEMENTATION AND FINANCING

Ensuring the implementation of strategic goals

In order to implement the Strategy effectively and in time, the Government of the Republic of Croatia will adopt an Action plan by 30 April 2015 that will determine the appropriate implementation activities, their designated authorities and participants, as well as the implementation method and financing sources for each individual strategic measure. The action plan will determine the obligations of state and public authorities that, in accordance with legislative powers, are competent in the maritime sector. It will also determine the authorities whose powers are connected to or could affect the development of the maritime sector as well as the measure implementation dynamics and the risk management method in the process of achieving special and strategic goals of the Strategy.

The Ministry of Maritime Affairs, Transport and Infrastructure as a competent state administration body is responsible for the implementation and coordination of the implementation of measures and goals determined by the Strategy, as well as the activities determined by the Action plan, and will periodically inform the Government of the Republic of Croatia every two years on the implementation of the Strategy and the Action plan. Result indicators determined for each individual specific goal of the Strategy form the basis for monitoring the implementation of strategic and specific goals.

In order to ensure continuous monitoring of the Strategy implementation, the Government of the Republic of Croatia will found a Monitoring Committee for the implementation when passing the Action plan. This Committee will include the representatives of all competent ministries involved in the implementation of the Strategy or the Action plan, and will be presided over by the Minister of Maritime Affairs, Transport and Infrastructure. The Monitoring Committee will meet at least quarterly and the members of the Committee will be responsible for the continuous monitoring of the implementation of activities from the Action plan under the authority of the appropriate state administration body, for the coordination of activities under the individual state administration bodies, and for the removal of difficulties in the implementation of the Action plan. The board members will be responsible for preparing reports on the implementation of the Action plan activities and will participate in evaluating the Strategy.

The financing and financial effect

The Strategy determines a number of measures under the jurisdiction of the Ministry of Maritime Affairs, Transport and Infrastructure and other budget users that will, on the expenditure side, be planned and carried out from existing and new activities and projects of the State budget of the Republic of Croatia and other sources of financing, with special emphasis on using European funds and own revenues of appropriate legal entities with public authority.

Through certain measures, the Strategy predicts a reduction in expenditures for the State budget of the Republic of Croatia, and an increase in revenue as a result of e.g., an expected 100 % revenue increase from concessions for maritime domain that should amount to HRK 160 million by 2020. Detailed data on the financial effect of strategic measures cannot be determined since the Strategy determines general strategic measures and the fiscal impact will be determined with the Action plan for the implementation of the Strategy.

All the instruments required to implement the activities of the Action Plan under the jurisdiction of budget users will be ensured within the total expenditure limits determined by the Government of the Republic of Croatia for individual measure designated authorities from the Action plan.

7. ANNEXES

7.1. SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Geographical position and geomorphologic characteristics of the coast - The involvement of maritime transport routes in the European transport network - port infrastructure suits the needs of international maritime transport - Knowledge and tradition in maritime economy, of seafarers and the management of shipping companies - Applied high standards for navigation safety (pursuant to the Paris Memorandum³²) - An established educational system for seafarers conforming to the highest global standards - Extremely well preserved marine environment - An established navigation safety system in the Republic of Croatia - Well developed electronic public administration services 	<ul style="list-style-type: none"> - Maritime transport is only a small part of the total transport of the Republic of Croatia (22 %) - Insufficient capacities of ports of county and local importance - Undeveloped shipping financial market in the Republic of Croatia - Insufficiently developed multimodal transport - Bad age structure of the fleet in national navigation - Absence of a cluster of science, the shipbuilding industry and the shipping industry - Commercial transport is significantly lower than the transport of recreational crafts (nautical tourism) - Insufficient capacities in case of large pollution and other large extraordinary events - Inconsistency of guidelines and criteria for determining the justification, priorities and approval of infrastructure and other development projects in the maritime sector - Insufficient media representation of the maritime economy - Public services inefficiency - Fragmentations and overlapping of jurisdictions of public sectors responsible for the maritime sector - Insufficient efficiency of public services in the maritime sector - A diminishing ability of the maritime administration to provide public services - The inability to change the concluded concession agreements for maritime domains with an inadequate concession fee - No continuous monitoring for the economic contribution of the maritime sector to the economy of the Republic of Croatia

³² *The Paris Memorandum of Understanding on Port State Control was adopted on 26 January 1982 in order to develop an efficient monitoring system for foreign ships regarding international safety, environmental protection and security standards. With Bulgaria and Romania joining in 2007, a total of 27 states joined the Memorandum. The Memorandum does not set new standards, it has the goal of monitoring standards in the conventions adopted within the International Maritime Organisation and the International Labour Organisation.*

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - The attractiveness of the coastal area as a place to live and work - Membership in the European Union and the expansion of the European Union to neighbouring countries - Funding opportunities from European Union funds - Maritime traffic is a safe, energy-efficient and environmentally friendly transport mode - The option to extend the use of development capacities in the maritime sector - The increase of passenger transport and cruises - Stimulative taxation policy for shippers and seafarers - The option to significantly increase management efficiency by improving control and coordination - Better use of demand from foreign shippers for secondary services in the maritime sector - Developing and applying modern technologies - Regulated system of social welfare rights of seafarers - Demand for port services with added value 	<ul style="list-style-type: none"> - Great risk of sea pollution affecting economic development and sustainability - Increasing risk for people and the environment due to the increase in human activities on the sea and in coastal areas - Long-time crisis in shipping and drop in demand for maritime transport and services - Continuous drop in gross tonnage of the Croatian merchant fleet - Increase in competition in the international labour market in the maritime sector - Population decline and reduction of economic activity on the islands - Risks of further shipbuilding development - Technical and technological non-conformity of the Croatian fleet to global standards of excellence - Discrepancies in the development of railway and maritime infrastructure

7.2. Data sources

Data from the Ministry of Maritime Affairs, Transport and Infrastructure:

- Annual work report of the safe navigation inspection for 2012 and 2013 - inspection results - Maritime Safety Directorate, the Inspection Department of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Annual report on the PSC Paris MoU for 2012 and 2013 – the Maritime Safety Directorate, Sector for inspections and technical standards of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Report on marine accidents in the Republic of Croatia for 2012 and 2013 – causes of accidents and recommendations - technical malfunctions of floating structures - the Maritime Safety Directorate, Sector for inspections and technical standards of the Ministry of Maritime Affairs, Transport and Infrastructure;
- List of specialised control for ships, commanders and shippers for 2013 - the Maritime Safety Directorate, Sector for inspections and technical standards of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Annual work report of the safe navigation inspection – results of the inspection for 2012 and 2013 – the Maritime Safety Directorate, Sector for inspections and technical standards of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Report on marine accidents in the Republic of Croatia in 2012 and 2013 - causes of accidents and recommendations - system errors - the Maritime Safety Directorate, Sector for inspections and technical standards of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Drafted risk assessments in 2012 - the Maritime Safety Directorate, Sector for inspections and technical standards of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Maritime/transport-navigation studies drafted by the Maritime Safety Directorate and the Directorate for Maritime and Inland Navigation, Shipping, Ports and Maritime Domain in the 2006 - 2013 period, Ministry of Maritime Affairs, Transport and Infrastructure;
- Annual report on the number of individual provided VTS services in 2012 and 2013 - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Coverage of the Adriatic with VTMIS systems in 2013 (radar, AIS, CHF, surveillance cameras, hydro meteorological system) - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;
- The scope of important data available in real time (CIMIS) in 2013 - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Report on marine accidents in the Republic of Croatia in 2012 and 2013 - causes of accidents and recommendations - navigation mistakes - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Annual work report for harbourmasters' offices in 2012 and 2013 - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;

- Annual report on search and rescue operations in 2012 and 2013 - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;
- Analysis of the state of harbourmasters' offices in 2012 and 2013 with proposed measures to improve the system - the Maritime Safety Directorate, Sector for control and management of maritime transport, search and rescue and marine environment protection of the Ministry of Maritime Affairs, Transport and Infrastructure;

Operating information of port authorities in 2012 and 2013 in ports of special (international) economic interest for the Republic of Croatia and ports open for public transport of county and local importance;

Data of the Hydrographic Institute of the Republic of Croatia from 2012 and 2013;

Croatian Bureau of Statistics – the annual statistical report for 2012 and 2013;

Data of the Agency for coastal maritime liner services on coastal maritime liner service for 2012 and 2013;

Plovput d.o.o. (the trading company established to carry out the maintenance of the waterways and radio services) - analysis of the Development strategy of Plovput d.o.o. for the 2014 - 2018 period, and the analysis of the annual Business plan and development plan and capital investments of Plovput d.o.o. in 2013;

Analysis of the Annual work report of Plovput d.o.o. for 2012 and 2013;

Data of the Ministry of Finance, Concessions register on concessions for maritime domain in 2012 and 2013;

MARE NOSTRUM – Croatian Employers' Association – shippers in international maritime navigation – Business analysis of Croatian shippers in international maritime navigation in 2012 and 2013;

The Statistical Office of the European Union (EUROSTAT) - data on maritime traffic in 2012 and 2013.

7.3. Reference strategic guidelines and sectoral strategies

National strategic documents:

- Strategic Development Framework 2006 – 2013
- Croatian Tourism Development Strategy until 2020(Official Gazette, No. 55/2013)
- Nautical tourism development strategy of the Republic of Croatia 2009 – 2019 (the Ministry of Sea, Transport and Infrastructure, Ministry of Tourism, Zagreb, December 2008)

- Strategy for Sustainable Development of the Republic of Croatia, Croatian Parliament, (Official Gazette, No. 30/2009)
- Marine Environment and Coastal area Management Strategy of the Republic Of Croatia
- Ecological network of the Republic of Croatia, declared by the Decree on the Ecological Network (Official Gazette, No. 124/2013), NATURA 2000.
- Pre-Accession Maritime Strategy of the Republic of Croatia, Ministry of Sea, Transport and Infrastructure, 2006.

International and European strategies and strategic guidelines

- Maritime strategy for the Adriatic and Ionian seas, adopted by the European Commission on 30 November 2012
- WHITE PAPER Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system COM(2011)144, March 2011, Trans-European transport network (TEN-T)
- A Sustainable future for transport: Towards an integrated technology-led and user friendly system, European Commission Communication, 2009
- Strategic goals and recommendations for the EU's Maritime transport policy until 2018, European Commission Communication, 2009
- Communication and action plan with a view to establish a European maritime transport space without barriers, European Commission Communication, 2009
- Guidelines for an Integrated Approach to Maritime Policy: Towards best practice in integrated maritime governance and stakeholder consultation: European Commission Communication, 2008
- Communication on a European Ports Policy, European Commission Communication 2007
- An Integrated Maritime Policy for the European Union, COM 2007
- Integrated Maritime Policy for the European Union (The «Blue Paper»), 2007

- An integrated Maritime Policy for the European Union – Action plan, 2007
- GREEN PAPER: Towards a future Maritime Policy for the Union: A European vision for the oceans and seas, 2006
- EU Transport Policy: Keep Europe moving: A Transport Policy for sustainable mobility, 2006
- WHITE PAPER: European Transport Policy for 2020: Time to decide, 2001
- European Union Maritime Security Strategy as adopted by the Council (General Affairs) on 24 June 2014
- European Security Strategy (ESS), adopted by the European Council in December 2003
- The Marine Strategy Framework Directive (2008/56/EC) (MSFD).