

2. ORGANISATIONAL STRUCTURE

This section should provide an overview of the main organisational structure to illustrate how tourism is organised and managed, to identify linkages and to identify the engagement of other organisations/stakeholders.

The information required will only need to be prepared fully in year 1 as it will subsequently only be necessary to provide details of any changes.

2.1 Please identify the national bodies responsible for tourism (Ministry and also any separate/related National Tourism Organisation), including their mission and spheres of competence, and their connection to other national bodies with direct or indirect influence in tourism. (maximum of 1.000 characters)

In the Republic of Croatia the national body responsible for tourism is the Ministry of Tourism (NTA). The Ministry is responsible for strategies, policies and measures on the national level; it proposes laws regulating tourism and hospitality industry, the tourist board system and tourist tax.

Promotion is the responsibility of the Croatian National Tourist Board-CNTB (NTO), the President of which is *ex officio* the Minister of Tourism. Nevertheless, they have a professional director, managing its activities. They are governmental type of organization, but the employees are not civil servants.

On the regional level, incorporated within the County authority offices, there is usually a department/section responsible for tourism and hospitality (littoral counties all have it, continental ones usually have one person dedicated to tourism within the Economic Affairs Department). They are responsible for some classification procedures and permits.

2.2 Please provide a *diagram/organogram of the organisational structure for tourism* identifying the connection between national, regional and local bodies. Provide also a short description of the core responsibilities and competencies of each of the organisations. Include also information about mechanisms of decision making process and participation (e.g. forums, advisory committees, other existing coordination mechanisms) from outsider organisations (e.g. other departments, stakeholder organisations and unions). (maximum 2 pages)

The Ministry is headed by the Minister, he has three deputies which are State Secretaries. There are also six Directors of Directorates (Travel Market, Tourism Policies and International Cooperation; Tourism Development; Alternative Types of Tourism and Tourism on the Continent; Alternative Types of Sea Tourism; Tourist Board System, Tourist Infrastructure and Protection of Tourism Resources), each Directorate being composed of a number of Departments, Sections and Units.

The CNTB is managed by its Director, he has three Assistants. The CNTB work is monitored by its Supervisory Committee (one member is always from the Ministry), and its Council (representatives of Regional Boards and the Ministry) regularly meets to discuss current issues and prepare decisions.

The Government also appoints a special Committee for the preparation and monitoring of the tourism year, members of which come from a number of line ministries (e.g. transport, ecology etc.) and public institutions/organizations (e.g. transport companies, National Protection and Rescue Directorate etc).The Committee is convened by the Minister several times a year (depending on the current situation, but the first is in the winter months and the last at the closing of the season).

We also cooperate with a number of NGOs and professional associations (e.g. NGO Bicycle, associations of travel agents, hoteliers, camping sites etc.)

2.3 Please provide information about *financial data*, including tourism budget as a percentage of overall government budget, the amount of national funding support for tourism marketing, the amount of EU funding support made available for tourism and data concerning the support to SMEs and destinations. (1000 characters)

The overall State Budget is a bit over 112. 58 billion kunas (approximately 15, 2 billion €) and the budget allotted to the Ministry of Tourism (MT) within the State Budget is 226. 64 million kunas (30.63 million €) which is 0.20 % of the overall State Budget.

Out of the MT Budget 112 million kunas (approximately 15. 14 million €) is “donated” to the CNTB for their promotional activities.

The EU funds were used for the support in preparing the Draft Strategy of social tourism in Croatia through technical assistance (Phare 2005) in the amount of 108,166 € As there is no obligation to report to the line Ministry on projects or funds utilized by regional/local authorities connected with tourism, we cannot provide any other data. As far as we know, there are plans to establish better coordination in that respect.

Within the MT budget there are special lines for funding a number of projects dealing with development of original Croatian souvenirs, preservation of tangible and intangible heritage, tourism education and training, enhancing quality in the hospitality sector, development of rural tourism, new tourism products, public tourism infrastructure, events and the other promotional activities for tourism development etc. There are also a number of programmes on local/regional level, some supported with their funds.

3. POLICIES AND STRATEGIES

3.1 Is there a current *National Strategy for tourism*? Yes No

If yes, please, provide information in bullet point format about the *key aims, objectives and priorities* of the strategy highlighting those that are designed to address sustainability issues in economic, environmental and social terms in particular those related in the six aims included in the Agenda. In the *formulation process of the tourism strategy*, briefly explain whether and how consideration has been given to the 9 principles set out in the Agenda (para 2.3 p5) and given in the appendix. (Maximum 2000 characters)

The Ministry of Tourism prepared a new Strategic Plan for the period 2011. – 2013.

- the overall objective is positioning of Croatia as one of leading Europe's tourist destinations
- the first special goal is developing of the tourism sector trough the development of SMSs in tourism, human resources, creation conditions for high quality and safe stay of visitors in country and development of tourism in underdeveloped areas;
- the second goal is effective promotion of tourist products and services trough improving of working quality of CTNB and the whole tourist board system and encouraging the promotion at the regional and local level.

A side from that, Ministry of Tourism in cooperation with the Ministry of Sea, Transport and Infrastructure have prepared a new Nautical Tourism Development Strategy for the period 2009-2019.

Objectives of the Strategie:

- sustainable use and management of natural resources (capacity, protected areas – natural, cultural ...), nautical infrastructure, services in nautical tourism;
- revision of spatial and planning documentation for the construction of new capacities
- rehabilitation, reconstruction and revitalization of existing ports

- system of supervision and management of maritime navigation
- equipment and devices to protect the sea against pollution
- simplification of administrative procedures and harmonization of legislation
- integrated management of the nautical tourism system (computerization and database of subjects in the maritime domain)
- strengthening competitiveness, increasing production in the Croatian shipyards, encouraging the development of service centers, new technologies and environmental standards, education of all stakeholders in the nautical tourism.

Strategic goals of Croatian tourism according the Strategy of Tourism Development by 2010 were:

- development of an integral and integrated offer in a tourist destination based on synergy of all destination stakeholders in public and private sector (supporting development of additional offer – better exploitation of natural and cultural resources)
- establishing a development of spatial plan for Croatian tourism for the purpose of preserving attractive natural resources – as an initial step for the development and support of the sustainable development of tourism
- continuous protection, implementation and respect of high ecological standards and long-term sustainable valorisation of tourism potential
- increasing the level of quality of all accommodation facilities, primary and secondary, and adapting categorisation criteria to international quality standards
- support the production of organic food and its sale via the tourism sector

All strategic documents are on: <http://www.mint.hr/default.aspx?id=375>

Currently is in the process of preparing Strategy for the period 2013 – 2020.

3.2 Who was the *initiator* and who is *responsible* for its implementation? (Maximum 500 characters)

Initiators are: Ministry of Tourism - Republic of Croatia which is also the main body responsible for its implementation together with other governmental institutions e.g. Croatian National Tourist Board, Croatian Association of Hoteliers and Restaurateurs, Ministry of Culture, Ministry of Sea, Transport and Infrastructure, Ministry of Environmental Protection, Physical Planning and Construction, Marine Association etc. Croatian Government and local governments etc.

3.3 How is the strategy *monitored* and how often? (Maximum 1000 characters)

Strategy is continuously being monitored by the Ministry of Tourism and by the Government of the Republic of Croatia

The Ministry of Tourism initiated the preparation of a new tourism strategy starting with an in-depth analysis of the whole hospitality and tourism industry. [The process was at halt for a while due to financial issues, but MT is now in the process of signing contract with the selected contractor.](#)

[Strategic Plan of the Ministry of Tourism for the period 2011 – 2013 was prepared as an interim document and will be monitored by the Ministry of Tourism and by the Government of the Republic of Croatia.](#)

3.4 What *national legislation* exists which is specific for tourism or which has a major impact on the sector? (maximum 2000 characters)

- 1) ACT ON THE PROVISION OF TOURISM SERVICES;
- 2) THE HOSPITALITY AND CATERING INDUSTRY ACT;
- 3) THE SOJOURN TAX ACT;
- 4) THE TOURIST BOARDS AND PROMOTION OF TOURISM ACT;
- 5) THE TOURIST BOARDS MEMBERSHIP FEE ACT.
- 6) THE GOLF COURSES ACT
- 7) [THE TOURISM AND OTHER CONSTRUCTION LAND ACT](#)

[All acts and subordinate legislation are on the web site of the Ministry of Tourism:](#)

<http://www.mint.hr/default.aspx?id=356>

The first two are translated into English, as well as the Amendments to the third one.

The Sojourn Tax Act, The Tourist Boards and Promotion of Tourism Act and The Tourist Boards Membership Act are aligned with the *acquis* and entered into force on 01 January 2009.

MT has more than 50 subordinate legislation, e.g.: Ordinance on Classification and Hospitality Facilities Categorization, Ordinance on Classification of Tourist Destinations, Ordinance on Public Tourism Infrastructure, Ordinance on Lump Sum Payment Method of Sojourn Tax, Ordinance on the Periods of the Tourist Season etc. *

[In 2010 the following acts were amended:](#)

Act on the Provision of Tourism Services, The Hospitality and Catering Industry Act and the Golf Courses Act as well as dozen subordinate legislations.

There are other laws which influence tourism (e.g. Value Added Tax Act, [Consumer Protection Act](#), [Foreigners Act](#), [Trade Act](#) but other lines Ministries have competence over them.

* unofficial translation (documents are not translated into English)

4. MEASURES AND INITIATIVES

This section provides Member States with an opportunity to outline *specific initiatives and policies* that are or are going to be adopted to manage and develop tourism activity in ways which respond to the key challenges referred to in the “*Agenda*” and which fall within the six main aims of the “*Agenda*” itself.

These initiatives could for instance fall into the following types of policy instruments: command and control instruments (legislation, regulation and licensing, land use planning and development control), voluntary instruments (guidelines and codes of conduct, reporting and auditing, certification, eco-labels, awards, voluntary contributions), economic instruments (taxes and charges, financial incentives and agreements), supporting instruments (infrastructure provision and management, capacity building, awareness raising, marketing and information services), measurement instruments (benchmarking, assessments on optimal use levels, carrying capacity).

1 Economic prosperity

- a. To ensure the long term competitiveness, viability and prosperity of tourism enterprises and destinations.
- b. To provide quality employment opportunities, offering fair pay and conditions for all employees and avoiding all forms of discrimination.

2 Social equity and cohesion

- a. To enhance the quality of life of local communities through tourism, and engage them in its planning and management
- b. To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, religion, disability or in other ways.

3 Environmental and cultural protection

- a. To minimise pollution and degradation of the global and local environment and the use of scarce resources by tourism activities.
- b. To maintain and strengthen cultural richness and biodiversity and contribute to their appreciation and conservation.

4.1 Please set out, briefly, the *steps* which have been or will be taken, if any, *to address the 7 key challenges* for the delivery of sustainable and competitive tourism, covered in the TSG report and referred to in the 'Agenda'.

4.1.1 Reducing the seasonality of demand. (maximum 1000 characters)

One of the key problems of Croatian tourism is seasonality. In the period from June to September 86. 6% of total overnight stays are realized and 64% in the two peak summer months. The reasons for outstanding seasonality are focusing to the one main product 'sea and sun', adverse structure and quality of tourism offer and its concentration in the coastal region of the country. Steps to ease seasonality are mainly connected to raising the quality of tourism supply and thus higher usage of accommodation, focusing on diverse segments of tourist's demand as well as to diversification of tourism products that are not closely related to the summer period such as spa and wellness tourism, urban tourism, wine roads and traditional dishes, excursion routes and national parks etc.

Relevant documents are: The Development Strategy of Croatian Tourism by 2010, Ordinance on Classification and Hospitality Facilities Categorization and Strategic Plan of the Ministry of Tourism for the period 2011 – 2013.

4.1.2 Addressing the impact of tourism transport. (maximum 1000 characters)

Since more than 90% of international tourists use road transport to arrive to Croatia, Croatian government efforts are focused on finishing the motorway network to improve the accessibility of tourism destinations and safety of travelling. The construction of motorways Split – Dubrovnik and Zagreb – Rijeka are underway. The bottlenecks of motorway Zagreb – Split that slowed down speed during the summer were eliminated by construction of additional tubes of the tunnels Mala Kapela and Sveti Rok in 2009.

A new international border crossing road Macelj and the remaining part of the A2 road to the

Slovenian border were opened for traffic in 2009.

The police cooperation with neighboring countries is realized through the exchange of information about traffic, traffic load on roads and border crossings.

In the framework of international police cooperation during the last tourism season there were 60 foreign police officers and officials from Austria, Czech, France, Hungary, Poland, Slovakia and Germany temporarily stationed in Croatia and representatives of the General Secretariat of Interpol.

On the state roads and highways activities such as construction, maintenance and protection of roads were regularly conducted. These activities contributed to raising the level of traffic services and to ensuring safe and smooth traffic flow.

4.1.3 Improving the quality of tourism jobs. (maximum 1000 characters)

Improving the quality of tourism jobs requires the preparation of national standards, determination of the lowest salary for all jobs in the hospitality industry in the National Collective Agreement, quality regulation of the migrant workers employment, intensified inspection control and higher fines, analysis of fiscal and parafiscal taxes as well as comparison with other Mediterranean countries to find out the incentive measures for employment and salary growth. Special effort is needed in the educational segment which requires the tourism educational system reform and its continuous coordination with the needs of the tourism industry (public-private partnership), coordination of personnel development, their knowledge, skills and competences with tourism offer development.

Decline in tourist traffic in 2009 was contributed to the reduction of employees in the hospitality industry.

In August 2009, because of seasonal workers, the number of employees increased by 27.6% in relation to January 2009. The total number of employees was 99 thousand, which is 4.3 % less than in August 2008. The reason for the decrease in the number of employees compared to August last year is the global economic crisis which engulfed Croatia and primarily the private sector with fewer employees. The average number of employees in the hospitality industry was 85.8 thousand, a decrease of 3.3% over the same period last year.

XII. 2010.				

I. 2010. Index				
IX. 2010.				

IX. 2009.	January 2010.	December 2010.		
Legal Entities	39,868	49,946	125.28	97.54
Crafts	34,044	39,413	115.77	97.09
TOTAL	73,912	89,359	12.90	97.34

Source: Central Bureau of Statistics

In September 2010 the number of employees in tourist sector decreased by 2.5% in relation to September 2009.

Reason for this decline was in crisis having strong impact on Croatia and primarily on its private sector. On the other hand, in the period January - September 2010 in hotels and restaurants 15.4 thousand new workers were employed, which is increase of 21%.

In the framework of the national education program, in 2010 it was planned to employ 1567 unemployed persons during the tourism season especially for the activity of providing accommodation and food services. To the end of August 2010 in this educational programme 1258 persons were included or 80.3% of planned number.

4.1.4 Maintaining and enhancing community prosperity and the quality of life, in the face of change. (maximum 1000 characters)

A number of initiatives that add quality of experience for tourists are also beneficial for the community wellbeing, like construction of new roads and better water supply or sewage systems, more events(cultural, sporting etc.). The mentioned CNTB ecological and educational campaign ***“I Love Croatia”*** with its main goal to promote cleanliness and make destinations more appealing and beautiful surely adds to the quality of life of local communities (more information on the web site of CTNB: www.croatia.hr). Their prosperity is enhanced through income generated by tourism (directly or indirectly) especially that tourism creates additional employment in the tourism but also in other service or production sectors. MT tries to assist private sector (predominantly micro and medium size enterprises) to start their own tourism businesses or to add quality to the existing ones. We believe this also contribute to better life within a specific community, especially with programmes that evaluate the heritage, trying to preserve it and put it to use it through tourism thus saving it from oblivion or destruction.

MT is together with the competent ministries involved in the implementation of the Integrated Coastal Zone Management.

4.1.5 Minimising resource use and the production of waste. (maximum 1000 characters)

In Croatia the Croatian Centre for Cleaner Production, s a non-governmental non-profit institution, promotes the concept of cleaner production in Croatia. Centre's services are intended for industry, administration bodies, industrial associations, educational institutions, financial organizations and public.

Cleaner production is continuous application of comprehensive preventive environmental protection strategy on the production process, product and services aiming at increased effectiveness and risk minimization for people and environment.

The Centre organized workshop and presentation in the framework of the Project called „Environmental Protection Education for Hotels”. In the first phase of the project four tourist enterprises, seven hotels and one national park were included. Results of the project are: reduction of non-hazardous and hazardous waste, reduction of wastewater and air pollution emissions as well as saving energy, water and detergents.

Some hotels and restaurants reduce water use and waste production because their corporate agenda and because it reduces costs. More info on: www.cro.cpc.hr

4.1.6 Conserving and giving value to natural and cultural heritage. (maximum 1000 characters)

The Ministry of Culture (MC), in charge of cultural and natural heritage, develops appropriate legislations, programmes, funding and management (www.min-kulture.hr). The MC has introduced the heritage tax payable by those operating business in heritage areas. Tax relief is available to the corporate sector donating culture. The Ministry of Tourism (MT) and the Croatian National Tourism Board – CNTB (<http://kulturniturizam.croatia.hr>) are in charge of implementing the National Cultural Tourism Development Strategy approved in 2004. Through small grant schemes these institutions invest in heritage preservation; supporting public access to these resources through improved management; investing in small and medium size enterprises and supporting community based programmes. The CNTB also runs an extensive public awareness programmes. The MT and CNTB are also sponsoring a series of tourism research projects, among else nation-wide survey of visitors to national/nature parks and of visitors to cultural sites and events.

The CNTB financially supports a variety of cultural tourism initiatives, projects, products and events, which raise the interpretation of standards, equipments and quality of cultural tourism products, as well as contribute to creating a critical mass of new modern cultural tourism products and enrich the tourism offer that is very important for the Croatian tourism and promotion.

Ministry of Tourism conducts a programme of promotion, protection, recovery and integration of heritage tourism in underdeveloped areas of tourism “Heritage Tourism”. The program objectives are:

- the development of tourism in less developed areas which have tourism potential in cultural and natural heritage,
- protection, restoration and evaluation of cultural and natural heritage and their involvement in the tourism offer.

In 2010 Ministry of Tourism allocated for this program approximately 1 million EUR for 220 projects.

Department of Cultural Tourism held in 2010 several conferences, roundtables, trade fairs and workshops on the following topics: the development of cultural and tourism projects, destination management as the function of cultural tourism, e-promotion of cultural tourism and cultural and tourist attractions.

4.1.7 Making holidays available to all. (maximum 1000 characters)

With the support of Phare2005 funds, the Ministry of Tourism just completed a project with a team of foreign experts and prepared the document to serve as a basis for the creation of the Social Tourism Strategy in Croatia. It will be a part of the overall Tourism Strategy, the work on which is scheduled to start next year (preparation activities are already under way).

Aside from that, there are laws that regulate the construction in the Republic of Croatia and prescribe mandatory adaptation for the handicapped (competence of another ministry, in force since 2005). MT used to have more extensively prescribed standards for new hotels, but eliminated the majority of them to avoid overlapping of legal provisions. At the time there is only obligation for the new hotels to have Braille signaling in the elevators and room doors, since this is not prescribed in the above mentioned regulation on new construction. Also, we have a special label for hotels adapted for the handicapped, which is issued on a voluntary basis (provided additional conditions are met) and provisions in the new Quality certificate, to be

announced, hopefully, very soon (also on voluntary basis).

There are also a number of activities absolutely on local/regional levels providing access to holidays to those less fortunate ones, usually by providing cheap or in certain cases free holidays for children and youth, sometimes seniors, in facilities owned by those authorities in holiday destinations.

Ministry of Tourism was also active in the Calypso programme of the European Commission. In 2010 approximately 88,000 EUR have been allocated for the programme “Tourism without barriers” and 14 tourism facilities were adjusted for persons with disabilities. The programme will continue in 2011.

4.2 As key challenges may change over time, please identify any other areas that are *becoming a new challenge*. (maximum 1000 characters)

The structure of accommodation facilities in Croatia is not a favourable one to develop tourism beyond the main season and develop it with highly diversified offer of top quality. Hence our main challenge in the near/medium term future will be restructuring of the accommodation capacities for tourism. Out of almost one million beds only 14% are in hotels. Since hotels represent the basis of a more developed, more diversified offer that can attract tourist outside the summer months, restructuring will bring about longer and/or more employment, more activities in the destination and, very important, more income to the local economy with enhanced quality of life.

One of additional challenges is development of golf that faced a number of legal obstructions that we solved shortly through the Golf Act.

There is also the new law that should regulate the ownership of the tourism land (some hotels lack land for their further development) that would deal with compensation for the use of the land through concessions.

One of the challenges is certainly restructuring of the travel agencies sector as with the extraordinary speed of development of the IT sector many of them will have to find different ways of doing business or transform themselves potentially into DMCs, as a number of them have already done so. It is a challenge as it means maintaining the employment of currently employed in that sector, avoiding creation of newly unemployed.

4.3 Please identify and describe one *SPECIFIC INITIATIVE* (i.e. how it worked, difficulties and problems encountered, solutions and success factors), which is related to the 7 key

challenges, that is *INNOVATIVE/ SUCCESSFUL* and which would be of interest to or of help to other Member States. (maximum 2 pages)

On the account of the global economic crisis Croatia:

1. implemented the Government's measures of the Tourism Action Plan for 2009 and 2010 (reducing expenditure in tourism sector at the state and local level – television subscription, copyrights, heritage rent, utility fees, etc.);
(link: <http://www.mint.hr/default.aspx?id=358>)
2. facilitated the travel and stay in Croatia - provisional visa regime suspension from 1st April to 31st October 2010 for citizens of Ukraine, Russian Federation and Kazakhstan;
3. facilitated the entry of foreign tourists on tourist visits to the Republic of Croatia on the basis of valid Schengen residence permits and visas. Consequently, the following categories of aliens temporarily, from 1 April to 31 October 2011, do not require a visa:
 - Holders of valid Schengen residence permits (covering entry and transit);
 - Nationals of the Republic of India and of the People's Republic of China, holders of valid Schengen visas, who collectively and in an organised manner visit the Republic of Croatia as tourists, if in possession of a valid travel health insurance and arriving from the Schengen Area, and
 - Nationals of the Hashemite Kingdom of Jordan, the State of Qatar, the State of Kuwait, the Sultanate of Oman and the United Arab Emirates who visit the Republic of Croatia as tourists and are holders of valid Schengen visas, if in possession of a valid travel health insurance.

Foreign citizens who are holders of valid Schengen residence permits or valid Schengen visas for short-term stay temporarily from 5 November 2010 until 31 December 2011 do not require a visa for the Republic of Croatia if they are arriving to the Republic of Croatia on cruise ships with the purpose of tourist visit.

4. held meetings with representatives of professional associations and the private sector in tourism about joint activities;
5. provided additional funds for promotion; especially co-promotion with private sector and destinations;
6. Committee for the preparation and monitoring of the tourism year 2010 regularly monitored the market, analyzed and implemented new measures;

7. meetings of the Committee were regularly held for timely detection of new vulnerabilities or negative trends and for the adoption of adequate measures and their mitigation;

More information about visa regime are on the web site of the Ministry of Foreign Affairs and European Integration: www.mvpei.hr)

The Ministry of Tourism financially supported the production of authentic Croatian souvenirs for tourists with the following goals: (link: <http://www.mint.hr/default.aspx?id=370>)

- to promote the production of authentic Croatian souvenirs as an adequate promotion tool and additional tourism product
- to revive the old artistic craftsmanship
- to stimulate tourism consumption
- the grant was 50% of total expenses of implementing individual projects (in 2010 was approved 84 projects or approximately 200,000 EUR)

Ministry of Tourism encourages the development of special interest tourism and development of rural tourism through credit programme. The aim of this programme is faster development of rural areas and prevention of their depopulation.

(link: <http://www.mint.hr/default.aspx?id=4241>)

MT awarded grants for the program “Events and the other promotional activities for tourism development in 2010” with the goal to encourage development of tourist offer through cultural tourism, traditional and sport events, festivals etc.

(link: <http://www.mint.hr/default.aspx?id=370>)

5. MECHANISMS FOR IMPLEMENTATION

The "Agenda" identified three mechanisms for its implementation: sustainable destinations, sustainable businesses and responsible tourists.

5.1 Sustainable destinations: What support is given to strengthen destination management at the regional/ destination level (supportive policy environment, knowledge networks, training programmes, establishment of measures/indicators for benchmarking, etc.)? (maximum 1000 characters)

Although the need to strengthen destination management is recognized on all levels (national, regional, local) it can be stated that only some educational activities are realized (conferences and educational seminars supported by the Croatian NTO). According to the law and defined mission, the system of Croatian tourism boards is responsible for the majority of destination management functions, although tourism boards are not the only actors that are taking care of destination development, especially tourism product development and tourism infra and supra-structure.

The Croatian National Tourist Board has been running an annual competition called "More flowers, less garbage", which is an ecological and educational campaign (children participate with their literary and art work). There is also competition among the destinations (Blue Flower for the seaside destinations and the Green Flower for the continental ones) that aims at raising awareness about the importance of cleanliness, sustainability, making destinations more appealing and attractive. There are different categories for prizes: towns (as a whole), squares, streets, even individual gardens or balconies. The destinations find their participation and possible award as an especially important incentive to strive for better, nicer, cleaner environments for both the tourists and the locals.

Associations for the protection of the environment from Split and Pula started with implementation of the project „Development of Eco sustainable program for tourism facilities in Croatia (GoGreenCro)“. Overall objectives of the action are contributing to the development of sustainable tourism in Croatia in order to preserve Croatian environment and natural heritage and lowering the pressure on environment caused by mass tourism in selected area. Project has been supported by the European Union through PHARE 2006 program.

Within this project the “**EcoPartner**” labelling programme was developed. The programme supported by EU funds (PHARE 2006) and MT has been implemented in Dalmatia and Istria. The aim of the programme is promoting the environmentally responsible form of tourism in Croatia, the one following the good examples from European and worldwide tourism practice, integrating the programme directives of environmentally responsible management in the tourist orientation of the tourist accommodation facilities by the “EcoPartner” label encouragement.

The Ministry of Environmental Protection and Construction established the Croatian system for the “Friend of the Environment” label award which was awarded to providers of accommodation in hotels and campsites. The main objective of awarding this label is the

promotion of products which have lesser impact on the environment as compared to the equivalent products, thus contributing to the efficient use of natural resources and higher level of environmental protection as well as to informing consumers on such products. In this way it promotes concern for environmental and consumer protection.

(link: <http://www.mzopu.hr/default.aspx?id=3757>)

The need to strengthen destination management has been recognized at all levels (national, regional and local). In this regard the Ministry of Tourism and the Association of Croatian Travel Agencies organized several seminars with the objective to achieve partnership of all stakeholders active in producing/contributing to the tourism destination offer. Participants in seminars were: representatives of the MT, tourist offices, all stakeholders and local/regional professional associations.

Ministry of Tourism has issued several public calls for grants for projects that have an impact on raising the quality of tourism in destinations.

(link: <http://www.mint.hr/default.aspx?id=370>)

MT has been successfully included into the EDEN preparatory action of European Commission since 2006.

5.2 Sustainable businesses: What support is given to strengthen the sustainability and competitiveness of businesses (supportive policy environment, orientation of business support services to sustainability, training, financial incentives, etc.)? (maximum 1000 characters)

In general, sustainability and competitiveness of businesses is closely related to new capital investment. Hence, in order to stimulate new investment projects (FDI and domestic), Croatian government passed the Law on Investment Incentives (December 2006) by which various financial incentives are granted to investors in “Greenfield” and/or “Brownfield” projects (such as tax reliefs, import duty reliefs, new employment grants, skills improvement grants, investment subsidies/grants etc.). Financial incentives are positively correlated to the size of the investment and/or new employment created.

Apart from the provisions of the Law in Investment Incentives, and in order to stimulate the SME start-up process, Croatian Ministry of Tourism has also introduced several investment subsidies’ programmes (interest rate provision under preferential terms). *In this sense MT hasn’t published a new call for proposals but the payment of contractual interest is, of course, continuing.*

MT carried out the public tender for awarding grants for companies and crafts with programs

aiming to improve the quality of hospitality industry. The objectives of the program were: enhancing services in hospitality industry in the areas where tourism is underdeveloped, stimulating construction, reconstruction and restoration of hotels and restaurants, improving the quality of tourist services through innovations, new technologies, development and competitiveness.

Finally, in order to promote SME development, Regional Development Agencies have been set up at the County level. These agencies provide potential investors in tourism related start-ups with information on investment possibilities organise various skills enhancement programs and/or provide valuable one-stop consulting services.

5.3 Responsible tourists: What support is given to promote responsible choices by tourists (e.g. sustainability in education, national marketing and media campaigns and promotion of certification schemes)? (maximum 1000 characters)

There are neither national certification schemes nor educational – promotional campaigns regarding sustainability issues. Few destinations have noticeable initiatives in those areas and some international projects have appeared but they are still in early phase to be able to assess their effectiveness. There is a certain level of responsible tourist activity taking place through volunteering schemes of NGOs but there is no visible “responsible tourism” promotion from the Croatian tourism sector.

The Ministry of Tourism will soon make public the voluntary Quality label Finalized in 2010) with standards having a number of “green” elements included, starting with the management acceptance of the sustainable policy for the company. In order to be given the label, a hotel will have to meet a minimum of all standards (different categories and areas), including those referring to sustainable use of energy and resources, handling waste etc.

Actions are taken at all levels. As an example - on the island of Krk an ecological system of taking care of communal waste exists, under the now famous name *Eco Island Krk*. Eco Island Krk represents a complete model of waste management, which is the first of its kind in Croatia that treats all types of waste. 6500 containers have been installed in 1400 places on the island in order to ensure the successful operation of the scheme. Domestic waste is collected in five separate containers (organic waste, paper, PET waste, glass and other). The island of Krk gathers around 19,500 tons of communal waste per year, of which some 12,000 tons is gathered during the summer season. The aim is to increase the percentage of sorted waste by 5 % each year.

Additionally, Municipal Utility Service collects organic waste and transforms it into humus which is then returned in bags to citizens who pay the utility fee. They cooperate very closely with Tourism Board of the Island that in their promotional materials inform tourists on the environmental management of waste on the island (<http://www.ponikve.hr/ekootok/index.htm>)

6. DATA AND INDICATORS

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators¹ (see appendix for a provisional list). These are mainly related to the aim of ‘economic prosperity’.

Please, identify indicators that are being used or developed at national / regional level which could add to the range of information being provided by Eurostat, particularly in relation to social and environmental issues (e.g. other indicators from the TSG report, visitors/ residents satisfaction). (maximum 1000 characters)

All data collected for the collective accommodation establishments should be collected also for private establishments (see List of EUROSTAT indicators: 1a, 1b, 3a, 3b, 4a, 4b).

In Croatia 47% of bed places are in, what we in Croatia call “ private sector” (private rooms, apartments, rural households and private camping sites; usually smaller types of establishments not including small hotels), where 34.4% of overnights have been realised.

7. COMPLEMENTARY ADDITIONAL INFORMATION

If necessary use the following box to provide additional complementary information that has not already been covered.

In 2010 10.6 million tourist arrivals were recorded, which is 3% increases compared to the previous year. There 56.4 million overnights were realized which is 2.6% more than in 2009. Foreign tourists make up 90.3% of the total tourist overnights, and so were recorded 9.1 million arrivals of foreign tourists or 4.8% more than in 2009 and 51 million overnights or

¹ These indicators have been selected from the 50 TSG indicators on the basis of the possibility to calculate them for the EU Member States via existing statistics.

increase of 3.6%. Decline was registered in domestic tourist traffic, 5.3% in arrivals and 5.8% in overnights. Average **stay of tourists** in 2010 was 5.3 days.

The next tables indicate data for 10 major markets as well as data on the total tourist traffic.

Tourist traffic in Croatia

COUNTRY % 2010.	TOURIST ARRIVALS		INDEX		2009.	2010.	10./09.	% 2010.
	2009.	2010.	10./09.	% 2010.				
Germany	1,463,281	1,525,133	104.23	16.7	11,166,827	11,476,383	102.77	22.5
Slovenia	962,604	1,016,572	105.61	11.2	5,512,808	5,885,315	106.76	11.5
Italy	1,057,893	1,018,375	96.26	11.2	4,925,252	4,731,832	96.07	9.3
Austria	776,450	810,340	104.36	8.9	4,258,338	4,420,058	103.80	8.7
Czech	578,517	605,732	104.70	6.6	3,961,828	4,170,084	105.26	8.2
Poland	417,849	454,445	108.76	5.0	2,685,037	2,895,162	107.83	5.7
Netherland	296,086	285,257	96.34	3.1	2,424,071	2,244,521	92.59	4.4
Slovak	292,450	310,031	106.01	3.4	1,974,402	2,084,013	105.55	4.1
Hungary	298,359	297,667	99.77	3.3	1,594,794	1,604,753	100.62	3.1
France	393,192	388,320	98.76	4.3	1,510,894	1,464,114	96.90	2.9
Others	2,157,115	2,398,870	111.21	26.3	9,215,257	10,016,086	108.69	19.6
TOTAL	8,693,796	9,110,742	104.80	100.0	49,229,508	50,992,321	103.58	100.0

SOURCE: Central Bureau of Statistics

ARRIVALS	INDEX		TOURIST OVERNIGHTS			INDEX 10/09
	2009	2010	10/09	2009	2010	
TOTAL	10,270,490	10,604,116	103.25	54,988,432	56,416,379	102.60
DOMESTIC	1,576,694	1,493,374	94.72	5,758,924	5,424,058	94.19
FOREIGN	8,693,796	9,110,742	104.80	49,229,508	50,992,321	103.58