

How can policies be deployed to engage private sector funding for the SDGs?

With a view to maximizing the objectives of sustainable development by the private sector we may point out the following policies of private sector involvement;

- *Preparing the strategic framework including the sustainable development objectives such as: Strategy for Sustainable Development of the Republic of Croatia, Strategy of Entrepreneurship Development, Industrial Strategy, Strategy of Investment Promotion, Strategy of Innovation Promotion and others;*
- *Establishing of an efficient regulatory framework and norms following the EU accession of the Republic of Croatia;*
- *Planning and implementing reforms aimed at achieving of an efficient public sector;*
- *Establishing the models for measuring the impact of regulations and investments on sustainable development.*

In 2009 the Republic of Croatia adopted the Strategy for Sustainable Development of the Republic of Croatia which emphasized that the realization of the main objectives – stable economic development, social equity and environmental protection can be achieved only by cooperation of all stakeholders.

The key challenges for achieving of the mentioned objectives refer to involving and mutual coordination of all institutions and state administrative bodies responsible for implementation of the Strategy, as well as the local self-government bodies which contribute to accomplishing of the objectives at the local level.

The Strategy for Sustainable Development of the Republic of Croatia is focused on eight key areas:

1. *Encouraging population growth in the Republic of Croatia;*
2. *Environment and natural resources;*
3. *Promoting sustainable production and consumption;*
4. *Ensuring social and territorial cohesion and justice;*
5. *Ensuring energy independence and increasing the efficiency of energy use;*
6. *Strengthening public health;*
7. *Interconnectedness of the Republic of Croatia;*
8. *Protection of the Adriatic Sea, coastal area and islands.*

For achieving of the sustainability and the objectives set forth by the eight areas it is essential to implement the reforms and to further develop the efficient state, raise the educational level of citizens and develop the society based on knowledge, as well as support the investments in research and development and adaptation to the climate changes.

What factors shape private sector involvement in the sustainable and inclusive growth agenda?

In order to achieve the set objectives of sustainable development crucial is the cooperation of public and private sector. In this process the public sector assumes the responsibility of creating the conditions which will provide for private sector's investments in the fields of infrastructure, energy, industrial zones with a view to enhancing the technological level of economy, improving the energy efficiency, reducing the unemployment growth and increasing the level of foreign direct investments in the Republic of Croatia.

The Republic of Croatia continuously invests in development of modern infrastructure, development of sea ports, considering the geostrategic position; the systematic investments in entrepreneurial infrastructure (entrepreneurial zones and entrepreneurship support institutions) have to be particularly pointed out, aimed at further improvement of the investment environment and providing for competitiveness for attracting foreign investments.

The foreign investments have a special role in terms of transfer of technology and knowledge from the developed countries, what additionally stimulates investments in the sustainable development objectives by the private sector.

As the EU member state the Republic of Croatia has established the framework for active participation of private sector in financing of sustainable development objectives by investing in new investment projects co-financed from the EU funds or by use of the new financial instruments, which refers in particular to small and medium entrepreneurship.

In addition to above the SME development policies are focused on promotion of investments in R&D, as well as development of innovations, which directs economy towards development of the new products based on knowledge. For developing competitiveness of economy in general imperative are the measures focused on improving the energy efficiency, which are also promoted by the policy of inter-institutional cooperation between the competent state administrative bodies.

Should an international governance structure frame different actors' roles; what form should it take?

In line with the objectives of the Strategy Europe 2020 the Republic of Croatia has also established the framework for policies aimed and supporting development of efficient utilization of resources and development of green economy.

The achieving of sustainable development depends on joint action of all stakeholders and for the purpose of achieving this, the public sector in the Republic of Croatia continuously organizes counselling with all key stakeholders including the representatives of business society and civil society as well.

What needs to be particularly pointed out is the role of women in achieving the sustainable development objectives, that is, the need of their full involvement in implementation of all measures and policies, taking in account the principle of gender equality.

What are the policy challenges, trade-offs and constraints for channeling private investment into SDG sectors, like infrastructure, climate change adaptation, health and education?

With a view to directing the long-term development of the state towards the sustainable development, in 2011 the Strategic Guidelines of Green Development of the Republic of Croatia have been prepared. These Guidelines set forth the reshaping and focusing of development policy, investments and consumption towards the sectors such as the clean technologies, energy efficiency, green buildings, renewable energy, green transportation, sustainable agriculture and forestry, waste management and sustainable tourism.

The implementation of the green development concept of the Republic of Croatia includes the changes in the value system, technological development and the new industrialization of Croatia, as well as the improvement of the public and personal standards. The greatest challenge presents the structure of Croatian economy, that is, in order to provide the sustainable development the conditions have to be created for new investments, which will contribute to raising the national production and export by transfer of technologies and development of the new technologies.

The policies of environmental protection through innovations and green technology can and have to be driving forces for investments and jobs.

The examples for implementing the measures contributing to sustainable development of the Republic of Croatia are the following:

- Government's programme of energy renovation of single family houses – which comprises almost the half of the local self- government units in the Republic of Croatia
- Construction of the waste management centres – planned is the overall number of 13 centres; major part of the funds provided from the EU funds.
- Implementation of the projects associated with energy efficiency – public lighting in local self- government units based on the principle of energy efficiency.
- Measures and projects raising the awareness on green transportation – co-financing of purchasing environmentally more friendly vehicles, more equitable payment of ecological taxes in line with the actual pollution level
- For the public sector the measures have been planned according to which the environmental impact and energy efficiency have to be considered when purchasing new vehicles.
- Implementation of projects aimed at protection of the ozone layer
- Investments in protected areas with a view to developing sustainable tourism – for the Republic Croatia the connection between the sustainable tourism, sustainable production and agriculture is of special importance.

What are the factors that shape the role of the public and private sector in the pursuit of sustainable and inclusive investments?

The overall development of green economy requires the connection between the science and economy, as well as creating conditions for promoting investments in research and development, which is a challenge with an important role of public sector since it calls for establishing of institutional framework which will provide for strengthening of institutions in charge of technological development, promotion of entrepreneurial infrastructure, as well as enhancing the investment level of private sector.

What are the global policy requirements in this context, and how can they be translated at the national and regional level?

- The strategy lays out five key targets to be achieved by 2020: a 75% employment rate for the 20-64 age group;
- 3% of EU GDP to be invested in research and development;
- 20/20/20 climate and energy targets (the reduction of greenhouse gas emissions by 20%, a share of final energy consumption generated from renewable energy sources increased to 20%, and increase of energy efficiency by 20%);
- education - a reduction of school drop-out rates below 10%, raising the share of the population having completed tertiary education to 40%);
- Poverty/social exclusion – reduction of poverty and social exclusion risk for at least 20 million persons.

The Republic of Croatia as the EU member fully meets the above targets in line with the Strategy Europe 2020 and incorporates them in the institutional legal framework both at the national and the regional level.

How can the linkages between industrial, investment and development strategies be strengthened to help achieve the SDGs?

The concept of sustainable development set forth by the Strategy of Sustainable Development of the Republic of Croatia has to be considered in adoption of all long-term Government's policies, industrial or investment strategies; at the same time the cost-effective use of financing and available economic instruments has to be taken in account.

How can public and private actors optimize synergies in pursuing sustainable development outcomes?

Involving of business community is imperative in accomplishing of the sustainable development objectives since the activities of the private sector provide for creating of new jobs by development of the new technologies, the environmental protection measures are being taken emphasizing the social accountability of businesses.

What are the policy gaps and how can they be addressed at the national, regional and global level?

The Government of the Republic of Croatia is committed to establishing the favourable environment for implementation of the sustainable development concept at all levels of state administration and regional/local self- government. The Government of the Republic of Croatia fosters the concept of sustainable development by systematic public informing, raising awareness on the links between the economic, social and environmental issues, supporting education for sustainable development by developing the implementation methods for sustainable development concept at all levels of state administration and local self -government as well as exchange of best practice with the other EU member states and other countries.