

# CROATIA

## 1. National R&D Programs and Public Funding

### 1.1 Core National Programs

The Republic of Croatia has established a comprehensive framework of national programs to support research, development, and innovation in the maritime sector, with particular emphasis on sustainability and digital transformation, mainly due to the importance that the maritime sector and all the activities related to it have on the economy of the country.

**European Maritime, Fisheries and Aquaculture Fund (EMFAF) 2021-2027** represents the primary funding instrument for the sector, with €243.6 million allocated to Croatia. Implemented by the Ministry of Agriculture in collaboration with the Ministry of the Sea, Transport, and Infrastructure, the program focuses on sustainable use of natural resources, protection and restoration of aquatic biodiversity, low-carbon aquaculture, and green and digital transformation in the maritime sector. The program is currently operational and actively supporting sustainable maritime activities and innovation.

**Croatian Agency for Small Businesses and Investments (HAMAG-BICRO)** provides crucial financial support to small and medium-sized enterprises (SMEs) through various funding schemes, including grants and loans. The agency's focus areas encompass technological development, commercialization of research outputs, and the introduction of new products or services to the market, fostering innovation and competitiveness across the maritime sector.

**Recovery and Resilience Plan (RRP)** allocates €542 million to support businesses in their green transition and energy efficiency efforts. The program targets investment in green technologies, sustainable tourism, and support for businesses contributing to the green economy, with significant applicability to the maritime industry.

### 1.2 Green-Blue Transition Funding Instruments

Croatia has mobilized substantial resources specifically dedicated to accelerating the green and blue transition in the maritime sector through multiple complementary funding streams.

The **Green Transition Programme** and **Green and Blue Business Innovation Programme**, both funded through EEA and Norway Grants, allocate €21.6 million and €22 million respectively to Croatia for 2021-2028. These programs focus on accelerating

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## INNOVABLUE

the transition towards a more sustainable society, fostering innovation in green and blue business, and promoting the implementation of sustainable practices in the maritime industry.

The **EU Cohesion Policy instrument (2021-2027)** represents the largest single funding source, with €9 billion allocated to Croatia. This instrument supports infrastructure projects and innovations contributing to the green and digital transition in the maritime sector, addressing economic, social, and territorial cohesion objectives.

### 1.3 Tax Incentives and Financial Support Mechanisms

Croatia has implemented a progressive system of fiscal incentives to promote investment in clean maritime technologies and broader green transition initiatives. Under the Act on Investment Promotion, companies investing in modernizing their production processes, including those in the maritime sector, benefit from substantial **Corporate Income Tax (CIT)** reductions structured as follows:

- **€0.5-1 million investment:** 50% CIT reduction for up to 5 years
- **€1-3 million investment:** 75% CIT reduction for up to 10 years
- **Over €3 million investment:** 100% CIT reduction for up to 10 years

These incentives apply to investments in high-tech equipment, automation, digitization, and other modernizations that enhance productivity and environmental performance. Additionally, companies can access non-refundable subsidies covering up to 20% of eligible capital expenditures for new machinery and equipment, plus up to €9,000 per new job created. These grants are particularly advantageous for projects located in regions with higher unemployment rates, such as eastern Croatia.

While Croatia does not currently offer direct tax incentives exclusively for green maritime technologies, the government is expected to launch targeted funding calls relevant to zero-emission mobility, which may include maritime applications.

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## INNOVABLUE

### 2. Programs Supporting Innovation and SMEs in the Green-Blue Sector

#### 2.1 Cross-Border and International Collaboration Programs

Croatia participates in several programs and initiatives designed to support startups and innovative SMEs in the blue sector, with strong emphasis on fostering innovation, sustainability, and cross-border collaboration.

**ESCO – Driving Green Innovation for a Sustainable Blue and Green Economy**, funded by the EEA and Norway Grants, supports green tech startups in Croatia and Norway. The project provides targeted assistance to refine business models, access funding, and scale impact in the blue economy through an accelerator program operated by IRIC and NORBAN, connecting innovation ecosystems of both countries through transnational workshops and collaborative projects.

**BEST4.0 Interreg Italy-Croatia programme** targets over 150 SMEs in coastal regions, offering training and mentoring activities to adopt sustainable and innovative practices, voucher schemes through two calls allowing SMEs to access specialized services for innovation, growth, and internationalization, and networking events to facilitate business collaborations. The project aims to support SMEs in creating new jobs and expanding into new markets.

**CoE MARBLE (Centre of Excellence in Maritime Robotics and Technologies for Sustainable Blue Economy)** focuses on stimulating reforms in Croatian research and innovation, promoting collaboration among academia, industry, and public institutions, and enhancing technological capabilities in maritime robotics and related fields. The project is expected to contribute significantly to the development of sustainable and innovative solutions in the maritime sector.

#### 2.2 Innovation Hubs and Support Infrastructure

**AgriFood Croatia** serves as an innovation hub bringing together research, business, and public stakeholders for digital transformations in aquaculture, agriculture, and food-related sectors, while also supporting projects like BEST4.0 that aid blue economy SMEs in digital transformation.

**DIH Innovamare** connects companies, institutions, researchers, and experts to jointly tackle challenges related to the Blue Economy, offering services to foster collaboration among key stakeholders, including innovative blue SMEs, with particular emphasis on innovation and digital transformation in the marine sector. This innovation-driven approach has resulted in notable achievements such as the development of the Faust V autonomous vessel.

## INNOVABLUE

### 3. Regional and Local Funding Opportunities

#### 3.1 Sector-Specific Support Programs

At the regional and local level, several funding opportunities are available for SMEs operating in the blue sector, although some remain limited in scope and require expansion.

The **Support Program for Fisheries and Mariculture** offers measures including small-value grants and subsidies for SMEs in aquaculture, fish farming, and related value-chain activities. Financial resources can cover the costs of installing or purchasing floating platforms, nets, protective equipment, monitoring equipment, and solar or off-grid power for farms. However, the program is currently limited to traditional sectors of the Blue Economy, highlighting the need for expansion towards emerging and technologically advanced areas.

**County Environmental/Nature Protection Funding** provides public tenders for NGOs and other actors in the environmental and sustainable development sphere. SMEs may partner with NGOs or apply independently if their projects qualify, particularly useful for marine environment protection and stewardship components of business operations.

#### 3.2 EU-Funded Regional Projects

**BLUEQ (Interreg IPA-ADRION)** focuses on environmental and ecosystem monitoring, including coastal habitat mapping and blue carbon capture. SMEs providing environmental services, remote sensing, satellite work, and marine ecology consulting can participate as contractors or partners.

**ROBONETCBC** aims to establish an innovation network for blue technology, specifically robotics and sensors for monitoring marine and freshwater pollution. This represents a valuable opportunity for SMEs and tech start-ups focused on sensors, robotics, and environmental technology to apply as project partners.

#### 3.3 Maritime Innovation Infrastructure

The **Maritime Innovation Center (iNavis)**, based in Šibenik, was established with support from Norwegian sources, European funds, and local/regional sources. The center has implemented projects such as MATIN (Croatia-Norway Marine Technology Innovation Network) and currently functions as both a cluster and an incubator, bringing together SMEs, research, tech innovation, and assisting startups. Alongside DIH AgriFood Croatia and DIH Innovamare, iNavis is positioned to become a key reference point for innovative marine technologies, technology transfer, and cross-border cooperation in the Blue Economy.

## 4. Port Development and Infrastructure Programs

### 4.1 Local Port Modernization Projects

Šibenik-Knin County hosts two significant port development projects with strong sustainability components:

The **Modernisation of the Cruise Port of Šibenik** (total value: €14.4 million) includes reconstruction and modernization of the town's cruise port, specifically the construction of the connecting quay between the Dobrika quay and Rogač shore. The project addresses safety, functional and technical modernization with attention to sustainable design, resilience, and improved operational efficiency.

The **Construction of a Passenger Terminal and accompanying infrastructure in Šibenik** is co-financed by cohesion funds and includes sustainability components such as better passenger experience, weather protection, new sanitary facilities, improved utilities, reduced congestion, and energy usage efficiency.

### 4.2 Cross-Border Port Development Initiatives

The **Framework Initiative Fostering the Sustainable Development of Adriatic Small Ports (INTERREG V-A Italy-Croatia, 2014-2020)** laid foundations for integrated and sustainable development of smaller ports through pilot activities, prioritization of locally relevant topics, and a bottom-up approach ensuring stakeholder involvement.

**Sustainable Ports – SUSPORT (Interreg V-A Italy-Croatia 2014-2020)** created joint methodologies for environmental planning and energy efficiency, shared best practices, and implemented pilot actions aimed at long-term governance and reduction of environmental impact and greenhouse gas emissions.

The EMFAF 2021-2027 program offers additional opportunities for local implementation through port projects and accompanying infrastructure, with explicit support for investments in fishing port infrastructure, decarbonization, energy efficiency, and modernization of fishing ports. Portuary and maritime actors in Šibenik-Knin County can apply under EMFAF for port modernization and environmental improvements.

## 5. Public-Private Partnerships

The Croatian maritime sector demonstrates active engagement in public-private partnerships, with several notable examples:

The **Port of Šibenik – Yilport/Luka Šibenik concession** involves Turkish company Yilport Holding's operations at the Port of Šibenik. Under the concession, Yilport plans to modernize the terminal by increasing storage capacity, installing additional mobile harbour cranes, dredging to deeper draft (-13 m) to accommodate larger vessels, and expanding services including container operations.

**Project Šibenik** encompasses several sub-projects including hotels, a marina for megayachts, yacht club, and other tourism and nautical infrastructure at the former Kulin military complex/Mandalina area. The city signed an agreement with private company NCP Remontno brodogradilište Šibenik to build hotels, villas, and a marina with approximately 400 berths, with terms including construction rights, operating rights (some via concession or right of use/building), and revenue sharing with local authorities.

The **Port Authority of Šibenik-Knin County** utilizes a concession regime under Croatian law for various port activities, including basic and ancillary port services (berthing, passenger services, cargo). This framework provides the mechanism by which private operators can be contracted to provide services or operate parts of port infrastructure.

## INNOVABLUE

## 6. Private Funding and Venture Capital

### 6.1 Private Investment Funds

Beyond European funds and national/regional programs, several private investment funds are active in Croatia's maritime and blue economy sectors:

**Vesna Deep Tech Venture Fund** focuses on research-institution spinouts, deep tech, and technology transfer in Croatia and Slovenia, backed by EIF and national development banks in both countries. While not exclusively focused on blue economy, its deep-tech mandate encompasses marine biotech, marine sensors, and related technologies.

Regional **private equity/growth capital funds** active in the former Yugoslav countries and Croatia invest in SMEs with strong growth potential, sometimes taking controlling stakes. While not exclusively focused on blue economy, these funds could co-invest in maritime sector companies demonstrating growth potential.

**Croatian Venture Capital and Impact Funds** include entities such as SC Ventures and AYO Ventures, along with impact and circular economy-focused funds that occasionally back marine-oriented and blue economy projects, particularly in marine tech, environmental tech, and IoT at sea. Sentinel Marine Solutions, a Croatian marine-tech startup, exemplifies VC interest in the sector, having previously raised capital from SC Ventures and other investors.

### 6.2 Maritime Innovation Clusters and Networks

Several hybrid public-private initiatives operate in close coordination with scientific bodies, NGOs, and private entities to ensure impact and visibility:

- **Maritime Innovation Cluster** (established by private entities and the University of Rijeka)
- **Marine Technology Innovation Network** (established through Croatian-Norwegian cooperation)
- **SeaTechHub** (ongoing joint Croatian-Cypriot initiative)
- **DIH Innovamare** and its recently established spin-off **Innovamare Technologies**

### 6.3 Blue Economy-Specific Venture Programs

**Croatian Venture Capital Initiative 2 (CVCi 2)**, an €80 million fund program launched in September 2023 by the European Investment Fund (EIF) in partnership with Croatia's Ministry of Regional Development and EU Funds, focuses on investments in innovative Croatian SMEs with high growth potential. The fund supports sectors aligned with

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## INNOVABLUE

Croatia's strategic priorities, including maritime technologies. Importantly, CVCi 2 does not invest directly in startups but partners with selected private fund managers who raise additional capital from other investors.

**BlueInvest**, an EU initiative designed to boost innovation in sustainable technologies for the Blue Economy, is enabled by the European Maritime and Fisheries Fund and structured as a European Fund for Strategic Investments (EFSI). The initiative provides investment readiness and access to finance for early-stage businesses, SMEs, and scale-ups, along with technical assistance, visibility, matchmaking, and opportunity-building for investors and companies, plus guidance for investors to specialize their strategies into Blue Economy-related areas.

**BlueInvest Fund** serves as a platform and accelerator fostering innovation and investment in sustainable Blue Economy technologies. The first BlueInvest Fund agreements have secured €45 million for two funds dedicated to the Blue Economy across Europe.

The **Croatian Private Equity and Venture Capital Association (CVCA)** serves as the central meeting place for all members of the private equity and venture capital industry in Croatia, facilitating the creation of a conducive environment for private equity and venture capital investments in Croatia and the region.

## 7. Alternative Financing: Crowdfunding

Croatia offers several crowdfunding mechanisms tailored to sustainable maritime projects within the Blue Economy sector, supporting initiatives ranging from marine conservation and coral research to innovative maritime technologies:

**ReefQuest – Coral Conservation on the Island of Iž**, launched by the Dalmatian Islands Environment Foundation (DIEF), focuses on studying and protecting coral health around the island of Iž. This initiative combines scientific research with community engagement to assess the impact of climate change and human activities on coral ecosystems, with public donations being matched to enhance the project's impact.

**Blue Crowdfunding Project by Crowdpolicy**, under the Interreg MED 2014-2020 program, aimed to improve the skills of stakeholders in the Blue Economy sector across the Mediterranean region by promoting participatory funding. The project focuses on developing the skills of SMEs in the Blue Economy sector and creating a transnational cluster with participatory funding services.

Additional crowdfunding platforms in Croatia, such as **CrowdSpace** and **CrowdInform**, could potentially support business undertakings related to maritime projects and the sustainable Blue Economy as a whole.

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