



Ministry of Foreign Affairs

# Factsheet

# Circular Economy and Waste Management in Croatia

## Potential for new developments

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**Croatia's journey to a circular economy has started and the concept is finally gaining momentum. The government has adopted the waste management and circular economy policy framework and the focus is now on large public campaigns, private-public cooperation and concrete projects for upgrading the waste management systems. Given the low resource productivity and, although improved, still low recycling rates in Croatia, the circular economy plans could stimulate investments. Countries like the Netherlands can share their expertise on how to start or excel the transition to the circular economy by applying pragmatic solutions tailored to Croatian circumstances.**

### **Croatia's circular economy and waste management industry**

About 6 million tons of waste is produced in Croatia every year (about 1.5 tons per person per year). Croatia's economy is only 2.7% circular. Most of this waste comes from the construction sector and households. The waste management system in Croatia relies mainly on landfilling; 58% of the municipal waste produced in Croatia ends up in one

of 80 active landfills in the country. But also illegal landfilling remains a long-lasting problem. The waste management practice differs from city to city. While there are cities and municipalities which are a part of the European Zero Waste Network, many cities and municipalities are drastically lacking behind. For example, the capital Zagreb, which accounts for 21% of Croatia's waste, is still highly dependent on landfills. Only in recent years, recycling efforts have intensified. Now, a new round of consultations on the problem of waste management facilities, technology and locations is set in motion, with an idea of building a waste management center that would include an energy plant. Besides, Zagreb needs a sorting facility, a composting plant, a recycling yard, and a reuse center.

The circular economy concept is incorporated into the [Waste Management Plan of the Republic of Croatia for the period 2023-2028](#). The plan is in the parliamentary procedure, pending approval. For example, the proposed Circular Economy Action Plan for Construction Waste Management offers a roadmap for reducing waste generation and

achieving the EU goal of 70% construction waste recovery, including recycling and other types of waste usage. It includes goals like strengthening the market for secondary raw materials and by-products, improving construction waste data collection, reducing illegal construction waste dumping, and increasing waste recovery.

#### Challenges in the waste management sector

Croatia's challenges in setting up an efficient waste management system are a decade long, but the landfilling system is still prevailing. While the waste collection targets are met, problems pertain with separating and processing the municipal waste. Croatia failed to fulfil the 50% target of the Waste Framework Directive by 2021 as well as the diversion targets of the EU Landfill Directive.

- The construction of the waste management centers is delayed.
- Reuse and recovery of waste is lacking all over. Only one center for recovery and one for the reuse of waste have been built in the whole of Croatia.
- Cities struggle with disposing of the sludge from the waste-water treatment plants. Biodegradable waste ends up in the landfills. Only 10 compost stations are active, recycling only about 76 tons of biowaste.

#### Government initiatives for development of circular economy and waste management

The Ministry of Economy and Sustainable Development in 2022 worked out the policy incentives for reduced consumption, intensified product use, and extended lifetimes of products and components.

- The construction and demolition waste sector are chosen as a priority for the development of a five-year Circular Economy Action Plan 2023-2027. These sectors have large material and carbon footprint, but were also affected by the devastating earthquakes of 2020 and the related surge in construction and demolition waste. Only 5% of construction waste is recovered in Croatia.
- In the context of the circular solutions, plastics, food, and textile manufacturing sectors are identified in the action plan for the next five years.

In July 2022, a Croatian Circular Economy Committee went on a study visit to the Netherlands seeking to learn from Amsterdam's and Almere's approach to circular economy and solid waste management.

#### Opportunities for Dutch companies

- A platform which connects private and public actors comparable to the Dutch 'Netherlands Circular Hotspot' is lacking in Croatia. The Circular Economy Hub—a space for sharing knowledge, innovations, and best practices among all stakeholders is announced to be established. It is envisaged as a physical location where circular technologies could be demonstrated, scaled, and recreated in a mini-household or production-line setting.
- Dutch companies could offer technology applicable for processing waste on numerous larger and smaller islands, where the waste problem is particularly present during the tourist season. Likewise, to share the benefits of upcycling and how waste in the Netherlands is used as a resource for new products or buildings.
- The role of academia in solving real life urban challenges following the examples of Dutch institutions like the AMS Institute could be an area for collaboration with Croatian academia.
- Several announced infrastructural investments in Croatia:
  - The city of Zagreb's company [ZCGO](#) plans to, build a 16,500 square meter sorting plant until 2025. It will receive about 120,000 tons of already separated, so-called dry recyclate - plastic, paper, cardboard, metal and glass - which will be further separated in the plant, resulting in pure recyclate. A concept from waste to energy is considered. The design project is done by the Hidroplan d.o.o. The tendering process for the construction is pending. The city also plans to start the process of building a composting plant in Zagreb.
  - A contract for building a new waste management center in the Karlovac County, The Babina Gora center, was signed in November 2022. The contractor is a group of Bosnian-Herzegovinian companies Hering - Elcom - Enova. The center is designed to process up to 30,000 tons of mixed municipal waste. It will have a facility for the processing of separately collected waste, including construction waste. It

will include four transfer stations and all mobile equipment (trucks and bulldozers) will be a part of this project.

- The City of Bjelovar has announced major investments in the municipal waste sector, namely in building a composting and sorting plant.
- The Clinical Medical Centre Zagreb announced its intention to build a facility for the management of infectious medical waste of the hospital in accordance with the waste-to-energy principle.

#### What can the Embassy do for you?

The Embassy in Zagreb could facilitate your company in a number of ways:

- Answer first-line questions regarding doing business in Croatia;
- Provide where possible more detailed market information based on your specific questions and needs;
- Provide lists of legal or business advisors;
- Facilitate contacts with local authorities.
- Provide introductions to Croatian and Dutch companies active in Croatia.

#### More information

You can find general information about doing business in Croatia, available subsidies and financing for entrepreneurs on the [Embassy's website](#) and on the website of the [Netherlands Enterprise Agency](#) (in Dutch).

For further information, you can contact the economic section of the Embassy via [zag-ea@minbuza.nl](mailto:zag-ea@minbuza.nl).

#### Facts and figures Croatia



Croatia, a country at the crossroads of Central and Southeast Europe, with 3.9 million inhabitants, is member of the European Union since 2013.

The Croatian GDP per capita was EUR 14.718 in 2021. Main economic sectors are tourism, manufacture industry, energy sector, ICT and agriculture. For 2023, The European Commission predicts a growth of 1.0 % and of 2.0% in 2024.

The trade exchange with the Netherlands amounts to around EUR 1.5 billion. In 2022, Croatia exported for approximately EUR 260 million worth of goods to the Netherlands, while the value of imports from the Netherlands amounted to approximately EUR 1.2 billion.

Over the years, the Netherlands has been among the largest foreign investors in Croatia.

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Postbus 20061 | 2500 EB Den Haag

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