



SIGMA

Support for Improvement in Governance and Management

A joint initiative of the OECD and the European Union, principally financed by the EU

PUBLIC MANAGEMENT PROFILES OF WESTERN BALKAN COUNTRIES:

CROATIA

(as of December 2003)

THE SIGMA PROGRAMME

The Sigma Programme — Support for Improvement in Governance and Management — is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the European Union, principally financed by the EU.

Sigma supports partner countries in their efforts to improve governance and management by:

- Assessing reform progress and identifying priorities against baselines which reflect good European practice and existing EU legislation (the *acquis communautaire*);
- Assisting decision-makers and administrations in building institutions and setting up legal frameworks and procedures to meet European standards and good practice;
- Facilitating donor assistance from the EU and other donors inside and outside Europe by helping to design projects, ensuring preconditions and supporting implementation.

Sigma's working partners are governments in:

- Most EU candidate countries — Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and Turkey.
- Western Balkan countries — Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia and Montenegro / Montenegro, Serbia and Kosovo.
- Russia (under OECD financing).

The Sigma Programme has set its priorities to support reform efforts of partner countries in the following areas:

- Design and Implementation of Reform Programmes
- Legal Framework, Civil Service and Justice
- External Audit and Financial Control
- Public Expenditure Management
- Policy-making and Co-ordination Capacities, including Regulatory Management
- Public Procurement

For further information on Sigma, consult our web site:

<http://www.sigmaweb.org>

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1. Political Background

The Republic of Croatia ended unilateral formal-legal relations with the Socialist Federal Republic of Yugoslavia with the Declaration on Sovereignty and Independence, on 25 June 1991. Following international recognition in 1992, Croatia became a member of the United Nations on 22 May 1992.

The first decade of the independence (1990-2000) of the Republic of Croatia was marked by the war, which ended in 1995, and the nationalistic Centre-right Government of the Croatian Democratic Union (HDZ) under President Franjo Tudjman, in power until the elections in January 2000. During this period the HDZ was in absolute majority in both houses of the Croatian Parliament – the House of Representatives and the House of Counties (a unicameral system was introduced 2000). Franjo Tudjman won both presidential elections (1992 and 1997) in the first round.

The new Croat state public administration was built using the existing republican administration. Even though there was an administrative system for most of the functions of a state, certain services had to be developed from the very beginning (for example diplomatic service, defence, finances), as they were centralised in ex-Yugoslavia.

On 7 February 2000, in the second round of presidential elections, Stipe Mesić was elected President of the Republic with 56 per cent of the votes. The runner-up, Dražen Budiša, obtained 44 per cent. The next presidential elections are to be held in 2005.

In the general election of January 2000 a six party centre-left coalition won the majority and formed the Government, led by Prime Minister Ivica Račan (Social-Democratic Party). The Istrian Democratic Assembly (IDS) left the government coalition in June 2001, but remained supportive in Parliament. The Government went through a political crisis in July 2002 when the Croatian Social-Liberal Party (HSL) left the coalition. However, the HSL split into two parties and the emerging new party, Libra, joined the Government coalition.

In October 2003 there were 150 representatives in the Croatian Parliament, divided into 11 party groups:

Party group	number of seats
Social-Democratic Party (SDP)	45
Croatian Democratic Union (HDZ)	33
Croatian Peasants Party (HSS)	15
Croatian Social-Liberal Party (HSLs)	14
Libra*	9
Croatian Bloc (HB)**	5
Istrian Democratic Assembly (IDS)	4
Croatian Party of Rights (HSP)	4
Democratic Centre (DC)**	3
Liberal Party (LS)	2
Croatian People's Party (HNS)	2
Croatian Revival Movement (HIP)**	2
Croatian Christian-Democratic Party (HKDU)	1
Representatives of national minorities***	5
Independent	4
Others	2

The last parliamentary elections were held on 23 November 2003. The results of the elections were as follows:

Party group	number of seats
Croatian Democratic Union (HDZ)	66
Social-Democratic Party (SDP) / Istrian Democratic Assembly (IDS) / Libra / Liberal Party (LS)	43
Croatian People's Party (HNS) / Slavonia-Baranja Croatian Party (SBHS) / Primorsko-Goranski Alliance (PGS)	11
Croatian Peasants Party (HSS)	9
Croatian Party of Rights (Hsp) / Zagorje Democratic Party (Zds)	8
Croatian Social-Liberal Party (HSLs) / Democratic Centre (DC)	3
Croatian Party of Pensioners (HSU)	3
Croatian Democratic Peasants Party (HDSS)	1
Representatives of national minorities	8

* - emerged after split in the Croatian Social-Liberal Party (HSLs)

** - emerged after split in the Croatian Democratic Union (HDZ)

*** - 2 representatives are members of LS club, and 1 of HSS

The 2003 elections have put the Croatian Democratic Community (HDZ, the party of former President Tudjman) back in power in Croatia. The formation of the new Government took place quickly, appointed in December 2003. The new Government, with Ivo Sanader as Prime Minister, is almost a one-party government, as all its members are HDZ-affiliated, except for the Minister of Justice, who is a member of the DC. It is a leaner Government, comprised of two deputy prime ministers and 12 ministers.

According to the Law on Local (regional) Self-government, elections for the local (municipal, town and county) assemblies are to be held every four years, on the third Sunday in May. The last local elections were held in May 2001, and the next will be held in May 2005.

In addition to UN membership, the Republic of Croatia is a member of WTO (since 30 November 2000), CEFTA (since 1 March 2003), and the Partnership for Peace, a preparatory programme for NATO membership (since 25 May 2000). Regarding relations with the European Union, Croatia has joined the Stabilisation and Association Process, launched at the Zagreb summit on 24 November 2000. The Stabilisation and Association Agreement (SAA) with the EU was signed on 29 October 2001. So far eleven member states' parliaments and the European Parliament have ratified the SAA. In June 2003, the Republic of Croatia submitted its application for full membership in the EU. The Commission's recommendation to the Council regarding this request is expected in spring 2004.

Croatian authorities consider membership in the EU a national priority, not only in the field of foreign policy, and they target 2007 as the year of entry.

2. The Constitutional Framework

2.1 *Constitutional Bases*

The Constitution of the Republic of Croatia was adopted in a joint session of the houses of Parliament on 21 December 1990. Since then the Constitution has been amended three times. The first set of amendments in 1997 was to align the Constitution with the changes in the language and the system of local (regional) self-government. One of the major changes brought by the revision of the Constitution in November 2000 was the abolishment of the semi-presidential constitutional system and the introduction of a full parliamentary system in which the government is answerable solely to parliament (and no longer to the President of the Republic).

In March 2001 the House of Counties was abolished and a unicameral parliamentary system was introduced.

Other important constitutional documents (available at www.vlada.hr, in Croatian and English) in force are:

- The Constitutional Act on the Cooperation of the Republic of Croatia with the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991; and
- Constitutional Law on Rights of National (Ethnic) minorities.

The hierarchy of norms in the Republic of Croatia is as follows:

1. the Constitution;
2. constitutional laws – adopted by a two-thirds majority of all members of the Parliament;
3. organic laws – adopted by the simple majority of all members of the Parliament;
4. laws – adopted by simple majority;
5. Government legislative decrees (according to the Constitution and the Law on Government authority to act by decrees upon individual issues within the scope of work of the Croatian Parliament);
6. orders, decrees, instructions, standing rules and other by-laws.

Although there is a clear difference in the adoption procedures for constitutional and organic laws, the legal matters covered by these laws are only broadly determined by the Constitution. While in general, constitutional laws determine certain constitutional categories in more detail (such as minority rights or extradition of Croatian citizens to international court tribunals but not to states) the organic laws touch upon the issues of human rights (for example, penal law) and political system (electoral law, organisation, scope of work and methods of work of state administration and authorities of local self-government). The proposer of a law is obliged to determine the type of norm while the Parliamentary Constitution, Standing Rules and Political System Committee justify the decision of whether the law should be adopted according to the procedure for constitutional, organic or simple laws. The Committee decision on the procedure may be challenged before the Constitutional Court whose ruling returns the law to the beginning of the parliamentary legislative process, as has happened recently with the amendments to the penal law, necessary to harmonise the law with the *acquis communautaire*.

2.2 Nature of the State

The Republic of Croatia is a parliamentary republic. It is defined as a sovereign, unitary, democratic and social state (Article 1 of the Constitution).

2.3 Division of Powers

The Constitution states that the people are the source of all the power in the state, and the power belongs to the people, who exercise it through their representatives, or directly. The Constitution provides for the division of state powers on legislative, executive and judicial, limited by the constitutionally guaranteed right for local and regional self-government.

The President of the Republic acts as head of state, and shares executive authorities with the Prime Minister and the Government. The Croatian Parliament is the supreme legislative authority, while the Supreme Court and the Constitutional Court are the highest judicial authority. Local self-government is organised in two tiers: counties (20 counties and the City of Zagreb, which has the status of a county) and municipalities/towns.

3. Head of State

3.1 Electoral Rules

The President is elected for a five-year term in direct elections, by the majority of the votes posted, with the possibility of a second round (14 days after the first round) if none of the candidates reached the majority of votes posted in the first round. In the second round, the voters may decide between the two candidates who have obtained the largest number of votes in the first round.

Each Croatian citizen aged 18 or older with no criminal record that can collect 20 000 signatures of support is an eligible candidate for the President. No one may be elected President of the Republic more than twice.

In the case of absence or illness the President may ask the President of the Parliament (Speaker) to substitute for him. The President decides upon return to duty.

In the case of longer absence, illness or inability to perform his duties, and particularly if he is not able to confer his duties to a temporary substitute, the President of the Parliament assumes that duty upon the decision of the Constitutional Court, upon the proposal of the Government.

In any case of termination of the mandate of the President (death, resignation, decision of the Constitutional Court), the President of the Parliament assumes the duty of temporary President, until the elections for the new President of the Republic take place (within 60 days after the temporary President has taken over the duty). Any act on promulgation of the law, issued by the temporary President, has to be counter-signed by the Prime Minister.

The President is impeachable for any violation of the Constitution he has committed in the performance of his duties. Proceedings for impeachment may be instituted by the Croatian Parliament, by a two-thirds majority vote of all representatives. The Constitutional Court decides upon the impeachment by two-thirds majority vote of all the judges, within 30 days from the submission of the proposal.

3.2 Main Responsibilities

The President of the Republic of Croatia represents and stands for the Republic of Croatia at home and abroad. The President of the Republic is responsible for the regular and harmonised functioning and stability of the state government and is responsible for the defence of independence and territorial integrity of the Republic of Croatia. In addition, the President:

- calls elections for the Croatian Parliament and convenes their first session;
- calls referenda, in conformity with the Constitution;
- confers the mandate to form the Government to the person who, upon the distribution of the seats in the Croatian Parliament and consultations held, enjoys the confidence of the majority of its members;
- grants pardons;
- confers decorations and other awards specified by law; and
- performs other duties specified by the Constitution

The President of the Republic is the Commander-in-Chief of the armed forces of the Republic of Croatia, and therefore appoints and relieves of duty military commanders, in conformity with law. On the basis of the decision of the Croatian Parliament, the President of the Republic may declare war and conclude peace. In case of an immediate threat to the independence, unity and existence of the State, the President of the Republic may, with the counter-signature of the Prime Minister, order the deployment of the armed forces even if the state of war has not been declared.

The President confers the mandate to form the Government and propose its members to a person who enjoys confidence of the majority of the members of the Parliament. Upon the expression of confidence by the Parliament, the President and the President of the Parliament counter-sign the ruling on the appointment of the Prime Minister.

The President may, at the proposal of the Government and with counter-signature of the Prime Minister, dissolve the Parliament if the Parliament has passed the vote of no confidence to the Government, or failed to approve the state budget within 120 days upon the proposal. However, once impeachment proceedings against him have been instituted, the President may not dissolve the parliament.

The President may, by demand, initiate extraordinary sessions of the Parliament, besides the regular sessions.

3.3 Office of Head of State

The Constitution allows the President to appoint and relieve the members of advisory bodies, who perform their tasks within the Office of the President of the Republic. Organisation and competences of the Office are regulated by general legislation that regulates the civil service, scope of work, internal organisation, procedures of the state administration organisations and internal rules.

The Decision on the Office of the President of the Republic of Croatia determines the tasks and basic internal organisation of the Office. The basic tasks of the Office are only broadly defined in the Decision as advisory, administrative, expert and other tasks necessary for the preparation of the decisions and other acts issued by the President of the Republic. On more specific issues, the internal organisation and procedures are determined by the Office Rule Book.

The President may appoint advisers, who do not have to be permanent employees of the Office of the President. The advisers coordinate their activities with the Head of the Office, appointed by the President.

3.4 Head of State in Legislative Process

The President of the Republic does not have the right to initiate legislation. The President promulgates the laws within eight days after being adopted by Parliament. However, if he suspects the incompatibility of a law with the Constitution, he may initiate a procedure before the Constitutional Court in order to determine compliance of the law with the Constitution. The President's decision to start the procedure before the Constitutional Court suspends the promulgation of the law until the ruling of the Constitutional Court. The President cannot suspend the promulgation of a law on other grounds than non-conformity with the Constitution.

The President may, upon the Government's proposal and with the counter-signature of the Prime Minister, initiate referenda on the amendments to the Constitution, or other issues important for the independence and integrity of the Republic of Croatia.

4. Parliament

4.1 Electoral Rules

Since the establishment of the multi-party parliamentary democracy in 1990, and the adoption of the Constitution, suffrage in Croatia has been universal, equal and direct, through secret ballot, for every citizen who has reached the age of 18. Voting is not compulsory.

There can be no less than 100, and no more than 160, representatives in the Parliament. The representatives are elected for a term of four years, which can be extended only in circumstances of war, or other reasons stipulated by the Constitution.

The electoral law falls within the group of organic laws. The 'package' of electoral laws includes the Law on the Election of the Representatives to the Croatian Parliament and the Law on Constituencies for the Election of Representatives to the Croatian Parliament (not an organic law). The last parliamentary elections in the Republic of Croatia, held in November 2003, were held according to the Law on the Elections of the Representatives to the Croatian Parliament (*Sabor*), adopted in November 1999.

The latest amendments to the electoral law, in April 2003, were necessary to harmonise the law with the Constitution (amendments, switch from bi-cameral to unicameral Parliament) and the Constitutional Law on the Rights of National Minorities.

There are ten constituencies with an approximately equal number of citizens with the right to vote. Only those political parties registered at the Ministry of Justice, Administration and Local Self-Government (as of 2004 the Central State Administrative Office for Public Administration) on the day of the official announcement of the elections by the President of the Republic may participate in the elections. Besides the political parties, in order to become eligible for the elections, every independent list has to collect at least 500 signatures of registered voters, prior to the submission to the State Election Commission.

There are 14 representatives elected in every constituency. Croatian citizens resident outside (with no official residence within) the Republic of Croatia vote for party or independent lists in a separate, non-territorial constituency, with variable quota of representatives. This quota is calculated according to the average number of votes necessary for each representative elected within the ten constituencies in the Republic of Croatia.

The seats are distributed according to the D'Hondt method: Total number of votes for each individual list within the constituency is divided by numbers from 1 to 14. Out of all given results, the seats are distributed among those lists that have 14 largest results. Each list earns as many seats as the number of its individual results among the 14 most successful. The prohibitive clause (threshold) is 5 per cent of the votes given, and remains the same for coalitions.

The national and ethnic minorities have the right to elect their representatives to the Croatian Parliament, in a separate constituency, covering the whole territory of the Republic of Croatia. According to the Constitutional Law on the Rights of National Minorities, and the Law on the Elections of the Representatives to the Croatian Parliament, the division of seats for the minorities is as follows:

1. Serbian national minority – three representatives
2. Hungarian – one representative
3. Italian – one representative
4. Czech and Slovak – one (jointly)
5. Austrian, Bulgarian, German, Polish, Roma, Romanian, Ruthenian, Russian, Turkish, Ukrainian, Vlach and Jewish – one (jointly)
6. Albanian, Bosnian, Montenegrin, Macedonian and Slovenian – one (jointly)

Representatives under points 1, 2 and 3 are elected with a deputy, while for those under 4, 5 and 6 the deputy is the next candidate by the number of votes.

4.2 Main Powers of Parliament

The Croatian Parliament (*Sabor*) is a representative body of the people and is vested with all legislative power in the Republic of Croatia.

The Croatian Parliament:

- decides on the enactment and amendment of the Constitution;
- passes laws;
- adopts the state budget;

- decides on issues of war and peace;
- passes documents that express the policy of the Croatian Parliament;
- adopts the Strategy of national security and the Strategy of defence of the Republic of Croatia;
- realises civil control over the armed forces and the security services of the Republic of Croatia;
- decides on alternations of the borders of the Republic of Croatia;
- calls referenda;
- carries out elections, appointments and reliefs of office, in conformity with the Constitution and law;
- supervises the work of the Government of the Republic of Croatia, and other holders of public authority responsible to the Parliament; and
- grants amnesty for criminal offences.

The Parliament may call referenda on proposals for changing the Constitution or other issues within its scope of work while the President of the Republic may only call referenda on changes to the Constitution or other issues of great importance for the independence unity and integrity of the Republic of Croatia upon the proposal by the Government and with a counter-signature of the Prime Minister.

One-fifth of the representatives to the Parliament have a right to initiate impeachment procedures. The signed proposal is submitted to the President of the Parliament, who passes it to the President of the Republic. Within 30 days, the President has the opportunity to declare his position. By the end of this period, the President of the Parliament submits both acts (the proposal and the declaration) to the Constitution, Standing Rules and Political System Committee, for its opinion. The decision on further motion is passed by the Parliament, with a two-thirds majority of all representatives.

The Parliament may call individual ministers and other government officials to submit reports and other acts. Upon such request, they are obliged to:

- report on issues within the scope of work of the ministry, or other state administration body;
- submit reports on execution and compliance to the law or another act, and tasks for which they are responsible;
- provide data available, or that for which they are responsible of collecting and archiving, necessary for the parliamentary work; and
- reply to the questions raised.

The Government is obliged to report to the Parliament on its work, its policies (in general or in particular), or other issues from the scope of its work, upon request of the Parliament. The Government has to appoint one of its members as its representative to the Parliament for each debate on the law or other act. If the representative of the Government is not present, the Parliament may terminate or postpone the debate.

The State Audit Office is established by the Law on State Audit, and is directly responsible to the Croatian Parliament. The Parliament appoints the head of the State Audit Office, whose mandate is eight years. The internal organisation, scope of work and procedures of the Office are determined by its statutes, which have to be confirmed by the Parliament.

The Croatian Parliament appoints and relieves from duty the President of the Supreme Court upon proposal of the President of the Republic. The President of the Republic consults with general assembly of the Supreme Court and the appropriate Committee of the Parliament. The mandate of the President of the Supreme Court is four years.

The Parliament also appoints the members of the State Judicial Council (11 members), for a mandate of four years. The method of appointment and the procedure is determined by the Law on State Judicial Council. In performing its main task, appointment and relief of judges, the Council is obliged to obtain the opinion of the appropriate parliamentary Committee.

The Croatian Parliament appoints the Head Public Prosecutor of the Republic of Croatia for four years, upon proposal of the Government and consultation with the appropriate parliamentary Committee. The Office of Public Prosecutions is an independent judicial organisation. The Parliament appoints 13 judges of the Constitutional Court for a term of eight years. The selection procedure is the responsibility of the parliamentary Committee in charge of the Constitution.

The Parliament also nominates the Ombudsman. The Ombudsman is authorised to protect the citizens' constitutional and legal rights in proceedings before the state administration or other public authorities. The Parliament appoints the Ombudsman for a mandate of eight years. Conditions of appointment, scope and methods of work of the Ombudsman are regulated by the Law on Ombudsman.

4.3 Internal Organisation

The internal organisation and procedure of the Croatian Parliament is regulated by its Standing Rules.

The Parliament assembles regularly twice a year, from 15 January to 15 July, and from 15 September to 15 December. Outside these terms the Parliament may assemble upon request of the President of the Republic, Prime Minister, or the majority of all representatives. The President of the Parliament may call emergency session with prior consultation with the parliamentary party groups. Each assembly is divided into sessions. During the regular assembly, the Parliament holds sessions at least once a month. The parliamentary sessions are chaired by the President of the Parliament, who may appoint one of his deputies to chair the session.

The President of the Parliament proposes the agenda. The deadlines for the submission of the items for the agenda vary: 30 days before the session for the draft law, and 15 days for the final draft of law, or other act within the scope of work of the Parliament.

If the agenda is attached with the invitation to the session, only written remarks delivered at least a day before the session will be considered, but only in case where the President of the Parliament omitted to include an item that was delivered within terms and conditions set by the Standing Rules. If there are no written objections to the agenda a day before the session, the agenda is considered to be decided.

At the parliamentary session the representatives may object only if the agenda attached to the invitation has been altered, either by adding or omitting items. The decision on these objections is reached without debate.

The Standing Rules define permanent committees and commissions as 'working bodies' of the Parliament. The working bodies:

- discuss the legislative proposals and initiatives;
- monitor the work of Government, within their respective scope of work;

- discuss reports of the institutions that are legally obliged to report to the Parliament; and
- bring opinions and confirmations, on which they inform the Parliament

Each working body has a president, vice-president, and a number of members. The decisions at the working bodies' sessions are reached by the majority of votes. For certain issues, a working body may establish sub-committee or a task force. If a working body discusses the Government's proposal, or a proposal by another state administration body, its respective representative must be present.

Persons who are not members of the Parliament (i.e., professionals, experts, etc.) may be appointed as members of the working bodies, with all rights except for voting.

The working bodies of the Croatian Parliament (*Sabor*) are:

1. Constitution, Standing Rules and Political System Committee
2. Legislation Committee
3. Foreign Affairs Committee
4. Internal Affairs and National Security Committee
5. Finances and State Budget Committee
6. Economy, Development and Reconstruction Committee
7. Tourism Committee
8. Human Rights and the Rights of National Minorities Committee
9. Judiciary Committee
10. Labour, Social Policy and Health Committee
11. Family, Youth and Sports Committee
12. Immigration Committee
13. War Veterans Committee
14. Spatial Planning and Environmental Protection Committee
15. Education, Science and Culture Committee
16. Agriculture and Forestry Committee
17. Maritime Affairs, Traffic and Communications Committee
18. Elections, Appointments and Administrative Affairs Committee
19. Petitions and Complaints Committee
20. Inter-parliamentary Cooperation Committee
21. European Integration Committee
22. Information, Informatisation and Media Committee
23. Gender Equality Committee
24. Local and Regional Self-Government Committee
25. Credentials and Immunity Commission

The Standing Rules define their respective remit in detail. The Parliament may, besides the permanent working bodies, establish other working bodies. Their title, members, scope and methods of work are defined by the decision.

The political parties within the Parliament are organised into 'clubs'. A club may be established by an individual party that has at least three representatives or two or more political parties with three or more representatives (jointly). Representatives of national minorities form joint clubs. A representative may be a member of only one club. Each club has its Standing Rules, and has a right to employ an administrative secretary from the parliamentary administrative service. Only in exceptional circumstances do the clubs have the right to employ other administrative staff at the cost of the parliamentary budget. Besides the administrative staff, the clubs may employ advisory staff (one, and another one per every 15 members). These are the only permanent advisory employees of the political parties' representatives at the Parliament.

Political parties regularly maintain working groups that, in general, shadow the main parliamentary committees, but not within the Parliament. The organisation, scope of work, authorities and membership in these working groups is set by individual party statutes.

4.4 Legal Status of Members of Parliament

The basis for the immunity for the members of the Parliament is embedded in the Constitution. A member of the Parliament can be detained without the consent of the Parliament only if he has been caught in the act of committing a criminal offence that carries a penalty of imprisonment for more than five years. In such case the President of the Parliament will be notified.

For cases in which the Parliament has to approve detention and continuation of criminal proceedings, and the Parliament is not in session, the Credentials and Immunity Commission will decide. Such a decision is subject to subsequent confirmation by the Parliament.

The Law on the Election of the Representatives to the Croatian Parliament explicitly determines the cases of conflict of interests, e.g. the positions or duties incompatible with that of a member of the Croatian Parliament (for example: minister, judge, state attorney, etc.). Other restrictions for the activities of the members of the Parliament are determined by the Law on Prevention of Conflict of Interest in Performing Public Duty. According to this law the members of the Parliament are not permitted to:

- accept or demand additional benefit for performing the duty;
- benefit from breaching the principle of equality before the law;
- misuse the rights of officials necessary to perform the public duty;
- accept or demand benefit or services in exchange for a vote on certain matter;
- promise employment or other rights in exchange for gifts or other benefit;
- influence public procurement;
- use classified information for the purpose of his own benefit; or
- use the position of public official to influence any decision of legislative executive or judicial power for the purpose of his or her own benefit.

Additionally, officials may not be owners of more than 25 per cent of shares in private holdings. Their rights of decisions within these holdings have to be transferred to another person (physical or legal) according to the detailed provisions of the law.

However, if an elected representative decides to obtain public duty or position, he may put his mandate under suspension, with the possibility to regain his status as a representative, but this may be done only once during the mandate. During the period of suspension, the deputy is appointed by the party, among the candidates from the party list, from the same constituency; or the next candidate by order from the independent list.

4.5 The Legislative Process

The Parliamentary legislative process starts by the delivery of a draft law or other act to the President of the Parliament. The right to initiate legislation is vested with every representative, parliamentary political party clubs, working bodies of the Parliament and the Government, except for those acts for which the Constitution or the Standing Rules provide that can be initiated by specific body or a number of representatives (for example only the Government is entitled to propose the state budget). There is no possibility of 'popular initiative', however, certain draft laws were proposed by the political parties on behalf of NGOs.

In its fourth composition since the first democratic elections in 1990 (2 February 2000 – 17 October 2003) the Croatian Parliament has held 37 sessions, nine of which were extraordinary (emergency). There were 1 389 items on the agenda, with an average of 375 per session. 623 laws, 5 constitutional laws and 478 Decisions were adopted, 66 law proposals were rejected by voting and 51 was withdrawn from the procedure. Some 66.7 per cent of the laws were adopted according to the urgency procedure, 39.3 per cent unanimously. Sixty-three adopted laws were fully in compliance with the *acquis communautaire*.

The Parliament may decide that the working bodies should hold preliminary discussion on the reasons for the adoption or amendments to the law, or on the basic issues that are to be determined by the law. Only the authorised proposer of the law may submit the proposal to conduct the preliminary discussion. All the conclusions of the preliminary discussion are to be delivered to the proposer of the law.

The Standing Rules of the Parliament determine the form of the legislative proposal, with all its attachments (constitutional basis, background and basic concerns to be covered, financial assessment, with regard to costs and resources, explanation of individual regulations and, in case of amendments to the existing law, the original articles). Articles within the draft law may be proposed with explained alternatives.

The proposer of the law has to notify the President of the Parliament of the person who will provide necessary information and explanations to the working bodies and the Parliamentary session.

Upon the submission of the law proposal, the President of the Parliament distributes the proposal to the appropriate working bodies, which have to produce their opinion on all aspects of the proposal. If the proposal implies additional financial burden, the Finances and State Budget Committee has to determine whether there are sufficient resources in the budget before the Parliament can discuss the proposal. These are the only provisions determining the consultations procedure contained in the Parliamentary Rule Book. There is no law regulating lobbying except for the provisions of the Law on the Prevention of Conflict of Interest in performing public duty which explicitly states what is not permitted and therefore may not be considered as part of regular lobbying activity.

The First Reading

After the submission of the opinion by the authorised working body (Committee), the law proposal is distributed to the members of the Parliament, with all the attachments, and the procedure of the First Reading starts. The First Reading includes the introductory speech by the proposer, a general discussion on the reasons for adopting the law and its basic content, detailed discussion on the text of the proposal, and the discussion on the positions of the working bodies that have scrutinised the proposal. The representative of the Government may participate in the discussion even when the Government is not the proposer of the law.

The authorised representative of the proposer may withdraw the proposal before the end of the discussion.

At the end of the discussion, the proposal may be rejected, and in that case it cannot be proposed within next three months. If the proposal has passed the First Reading, it is delivered to the proposer with all the opinions and conclusions of the discussion, and the proposer is obliged to deliver the final draft of the proposal within next six months.

The Second Reading

The Second Reading includes the discussion on the final draft of the law, positions of the working bodies, discussions on the proposed amendments, and the adoption of the law. The procedure for the discussion is the same as for the First Reading, only without the discussion on the general principles and the purpose of the law.

The amendments may be proposed by the representatives, clubs, working bodies of the Parliament, and the Government. The proposer of the amendment(s) submits the amendments to the President of the Parliament until the end of the discussion on the final draft of the law. The proposer of the amendment may comment when his amendment is discussed. The proposer of the law and the representative of the Government have to comment every proposed amendment, with the possibility of accepting it, fully or partially, or rejecting. After the comments of the proposer of the law and the Government, only the proposer of the amendment may comment, for no longer than two minutes.

After the discussion on the final draft and the amendments, the discussion is closed, and the decision on the law is reached by voting.

The Third Reading

Only in cases when the proposed amendments substantially change the general purpose or content of the law, or there is a large number of amendments proposed, the proposer or the Parliament may initiate the Third Reading. The procedure is the same as for the Second Reading.

The Urgency Procedure

The law may be adopted by the urgency procedure only in exceptional cases, when it is required by the interest of defence, in the case of major disturbances in the economy, or other justified reason. The proposal for the urgency procedure has to be submitted at least 24 hours before the session. It has to be supported by 25 signatures of the members of the Parliament if it is proposed by a single representative.

The laws necessary for the adjustments to the *acquis communautaire*, or otherwise pertinent to the EU integration process are discussed according to the urgency procedure upon the request of the proposer.

Exceptionally, if there is a reason for doubt in the constitutionality or legality of the proposal, the proposal will be discussed in the First Reading, upon request of the Constitution, Standing Rules and Political System Committee or the Legislation Committee. Proposals with an EU harmonisation dimension have become more frequent in the last two years, due to the agenda of the Government Action Plan for fulfilling the obligations under the Stabilisation and Association Agreement.

The Parliament decides on the Urgency Procedure for an item during the decision on the agenda, at the beginning of the session.

The Urgency Procedure merges the First and the Second reading procedure.

Approval of the State Budget

The Government proposes the state budget, by submitting the proposal to the President of the Parliament. Proposal of the financial plan for the extra-budgetary funds, and the plan of execution of the state budget is also attached. In the parliamentary procedure, the budget is discussed in principle, by positions, and on the submitted amendments.

Transparency of Work

The Parliament is obliged to inform the public on its work, topics discussed, and the decisions that have been reached. For this purpose, the Parliament publishes its official publication, "Journal of the Croatian Parliament". The Journal provides information on the plenary sessions in the form of minutes and is available on the internet, on the web site of the Parliament (www.sabor.hr). All the laws and other documents adopted by the Parliament are published in the Official Gazette (*Narodne Novine*), also available on the internet (www.nn.hr).

The Constitutional Court has the mandate to annul any law or other act it judges unconstitutional or unlawful.

5. The Central Executive

5.1 Legal Bases of Executive Authority and Administration

According to the Constitution, the Government of the Republic of Croatia exercises executive powers, in conformity with the Constitution and law. The Government:

- proposes legislation and other acts to the Croatian Parliament;
- proposes the state budget and annual accounts;
- executes laws and other decisions of the Croatian Parliament;
- enacts decrees to implement the laws;
- guides foreign and internal policies;
- directs and controls the operation of the state administration;
- takes care of the economic development of the country;
- directs performance and development of public services; and
- performs other duties determined by the Constitution and law.

The organisation, mode of operation and decision-making procedures of the Government are regulated by the Law on the Government of the Republic of Croatia, and the Standing Rules of the Government of the Republic of Croatia. Article 4 of the Standing Rules very explicitly defines the tasks and responsibilities of the Government.

5.2 Composition and Powers of the Government (Council of Ministers)

Members of the Government are the Prime Minister, one or more Deputy Prime Ministers and ministers. The Prime Minister proposes the members of the Government, together with the Programme, to the Parliament within 30 days upon his appointment by the President.

The Prime Minister and other members of the Government are responsible to the Parliament, collectively for the decisions of the Government, and individually, each for his scope of work. One-

fifth of the representatives to the Parliament, or the Prime Minister, may request voting on confidence in the Government, or its members individually. The decision is reached by the majority of all the representatives to the Parliament. If the vote of no-confidence is passed for individual members of the Government, the Prime Minister may propose someone else as alternative.

Besides the members of the Government, only invited persons may participate in the Government sessions. The Standing Rules of the Government stipulate that the Heads of the Legislation Office and the Public Relations office are regularly present at the sessions. Representatives of other state administration organisations may participate in the work of the session only on those items they were invited for.

The President of the Republic may propose that the Government hold a session to discuss certain issues. The President may also participate in the work of the session.

5.3 Division of Executive Power

The Prime Minister represents the Government, calls the government meetings and chairs them, manages the Government and signs the Government Acts. He may assign special tasks to members of the Government, including implementation of projects, and provide suggestions and instructions, in compliance with the Government Programme. The Prime Minister proposes the members of the Government to the Parliament, as described in chapter 4.2 above. The Prime Minister submits his resignation to the President of the Parliament. In such a case, it is considered that all the members of the Government have resigned.

Deputy Prime Ministers coordinate the work of ministries, primarily by chairing the Permanent Committees. According to the Constitution there can be one or more Deputy Prime Ministers. The number of Deputy Prime Ministers is determined by the Government (approved by the Parliament) while their remit is set by the Law on the Government of the Republic of Croatia.

Members of the Government submit their resignation to the Prime Minister.

The Government, within the constitutionally-set boundaries:

- passes decrees and other acts;
- enacts administrative orders;
- passes acts regarding the property rights of the Republic of Croatia;
- passes procedure acts;
- passes acts on appointments and dismissals of duty, as defined by law;
- answers questions and interpellations of the members of the Parliament;
- resolves conflicts of authorities of the state administration bodies;
- decides on law proposals and drafts of other acts to be adopted by the Croatian Parliament, and the executive orders to be enacted by the President of the Republic;
- provides opinions on laws or other acts proposed by the other state administration bodies;
- passes or proposes laws or other acts regarding signing and implementing international contracts and other obligations;
- proposes the official interpretation of law to the Croatian Parliament;
- initiates the procedure before the Constitutional Court; and provides answers to the Court in case a proceeding has been raised against Government's act;

- provides directions to the Office of Public Prosecutions on initiating the procedure and acting in procedures before the courts, when the Government is one of the parties;
- produces strategies of economic and social development; declarations in which it expresses the positions of the Government on certain issues;
- provides reports on the situation in selected areas and proposals for solving certain issues;
- adopts resolutions;
- provides recommendations to the state administration bodies and units of local self-government on the measures to be taken in certain issues; and
- performs other tasks according to the Law on the Government of the Republic of Croatia, and Standing Rules.

In exceptional cases, the Inner Cabinet decides upon issues within the remit of the Government. These decisions have to be confirmed at the next session of the Government. Members of the Inner Cabinet are the Prime Minister and the Deputy Prime Ministers. The Inner Cabinet discusses all draft laws and programmatic documents that intend to change crucial elements of the system, or otherwise affect the system, before their inclusion to the agenda of a Government session. In such cases, the minister in charge of the matter is present at the meeting of the Inner Cabinet. The Government holds sessions regularly once a week, each Thursday morning. The Inner Cabinet sessions are also held each week but without a previously-determined schedule (in general before the Government session).

5.4 The Office of the Government

The following bodies perform functions normally belonging to the Office of Government:

The Cabinet of the Prime Minister, headed by the Minister without Portfolio: The Cabinet consists of about five advisers, and some organisational/secretarial support. The Cabinet is not normally involved in the preparation of items for decision by the Council of Ministers.

The Secretariat of the Government of Croatia, headed by the Secretary of the Government of Croatia: Formally, this body has a staff allotment of 48. In practice, under the Secretary of the Government there is an office consisting of about 15 persons who prepare the meetings of the Council of Ministers, prepare the dossiers and the minute, and perform other administrative tasks.

Offices of the Coordination Committees: There are also the three offices that serve the three Task Forces and three Coordination Committees. The offices are formally within the Secretariat, but in practice, each of these offices reports directly to the Deputy Prime Minister who chairs the respective Coordination Committee, and the staff act as advisers to the Deputy Prime Minister.

The Legislation Office: This is an independent Office with a staff of 15. The office reports the Government, and its head is appointed by the Government. As in other former-Yugoslav countries, the Standing Orders require that all legal acts should be reviewed by this Office in terms of constitutional and legal conformity, and drafting style. Staff members attend meetings of the coordination Committees and the Council of Ministers.

Offices reporting to the Government: There are nearly 20 independent offices reporting officially to the Government. Offices are characterised by the following:

- in practice, each of these Offices reports to one of the Deputy Prime Ministers;
- they are normally established by a Government Decree (Decision);
- they have their own budgets;

- the Head of each Office is appointed by the Government;
- with only one exception, they are quite small, between 2 and 14 persons, normally less than 10; and
- they receive administrative and logistical support from the General Administration Office.

Public Relations Office (14 persons): The Office performs public relations, communications, and information functions on behalf of the Prime Minister and the Government.

Office for Internal Supervision (14 persons): This is a new office, whose role is not yet defined. It is included in this list of four Offices as it may be a basis for a monitoring function.

Office for Protocol (8 persons).

The Government of the Republic of Croatia does not have a typical Government Office. Instead, the Secretariat coordinates the work of Offices, Agencies, Directorates and other professional services to the Government. The Secretariat is managed by the Secretary General, appointed by the Government upon the proposal of the Prime Minister. The Secretary General has a deputy and assistants, and assists the Prime Minister in preparing Government meetings and other Government work. The Secretariat also coordinates the work of the Offices of the Permanent Committees, and provides logistical and administrative support for inter-ministerial coordination. The organigramme of the Government Secretariat is in Annex 1 to this document. The role of the individual logistics offices (Offices of the Permanent Committees and Permanent Working Groups) has to be viewed as complementary to the Government legislative procedure (scheme in Annex 3).

Besides the administrative/logistical offices, the Secretariat coordinates the work of advisory and expert bodies, often formed on a single-task basis. The Offices, Agencies, Directorates and Commissions of the government, coordinated by the Secretariat are:

- General Administration Office of the Croatian Government and Parliament
- Legislation Office
- Office for Cooperation with the International Institutions in the Republic of Croatia
- Office for Cooperation with NGOs
- Office of the Government's Agent at the European Court of Human Rights in Strasbourg
- Office for Human Rights
- Office for Internal Supervision
- Office for National Minorities
- Office for Prevention of Drug Abuse
- Office for Protocol
- Office for Social Partnership
- Office for Succession Settlement
- Public Relations Office

The Prime Minister has at his disposal the Office of the Prime Minister. The Office performs protocolar, advisory, analytical, and other professional and administrative tasks for the Prime Minister, including preparation of memos and other analytical papers, preparation of materials for the Prime Minister's participation in the work of Government, Inner Cabinet, and appearance before the Parliament.

The Office coordinates the relations between the Government and the Parliament. A Unit for Macro-Economic Analysis exists within the Office as a separate unit.

There are 7 state officials, 37 civil servants and 4 state employees in the Government Secretariat, and 11 civil servants in the Office of the Prime Minister.

5.5 Line Ministries

The line ministries in Croatia are established by the Law on Structure and Responsibilities of Ministries and State Administrative Organisations (amended in December 2003; previous list embraced 19 line ministries). The ministries are:

1. Ministry of Foreign Affairs
2. Ministry of Finance
3. Ministry of Defence
4. Ministry of Interior
5. Ministry of Justice
6. Ministry of Economy, Labour and Entrepreneurship
7. Ministry of Sea, Tourism, Transport and Development
8. Ministry of Agriculture, Forestry and Water Management
9. Ministry for Environmental Protection, Physical Planning and Construction
10. Ministry of Health and Social Welfare
11. Ministry of Science, Education and Sports
12. Ministry of Culture
13. Ministry for Family, Homeland War Veterans and Inter-Generation Solidarity
14. Ministry for European Integration

The law provides the basic scope of work for each ministry, in one article for each. The internal organisation of the ministries and more detailed scope of work is determined by Government decrees, following the pattern set by the Decree on the Principles for Internal Organisation of the State Administration Bodies. The Law on the System of State Administration provides the legal basis for forming the basic administrative units within ministries: directorates.

Within ministries and State Administrative Organisations (SAO), ministers or heads of SAOs may establish cabinets, performing duties of protocol, assessment of citizens' complaints, public and media relations and other entrusted tasks. Besides the cabinet, individual advisors may be appointed.

5.6 Central Non-Ministerial Bodies

State Administrative Organisations, established by the Law on Structure and Responsibilities of Ministries and State Administrative Organisations, are principally implementing agencies for the Government. Heads of SAO are responsible directly to the Government. The State Administrative Organisations are:

- Central Bureau of Statistics
- State Office for Standardisation and Metrology
- State Directorate for Water Management

- State Geodetic Directorate
- State Inspectorate
- State Institute for Protection of Family, Maternity and Youth
- State Intellectual Property Office
- State Weather Bureau

In December 2003, the following four new Central State Offices were formed (partly on the basis of previously existing institutions):

- Public Administration
- e-Croatia
- State Property
- Development Strategy

Among the newly created Central State Offices, the Central State Administrative Office for Public Administration is particularly important. Its tasks are mostly inherited from the former Ministry of Justice, Administration and Local Self-Government. The Office carries out administrative and professional activities relating to:

- the system and structure of state administration and local self-government,
- the political and electoral system, the control over the work of representative and executive local self-government bodies;
- minority rights;
- organisation and implementation of training of state administration and local self-government employees;
- keeping of a central record of civil servants and employees;
- monitoring of the implementation of the salary system in state administration and local and regional self-government bodies;
- issuing of prior approvals on by-laws on internal discipline of state administration bodies,
- control as to the legality of decrees issued by state administration bodies regarding recruitment for civil service,
- assignment of civil servants and employees to different jobs, their transfer, disposition and termination of civil service;
- performing professional and technical activities related to the work of civil servants' courts (dealing in disciplinary proceeding against civil servants) and of the High civil servants' court,
- settling of disputes involving the rights of the counties, towns and municipalities and the Government committee for determining the borders of local self-government units;

The Central State Administrative Office for Public Administration also:

- controls the legality of the work and the procedures in the field of citizens' personal conditions related to the keeping of state records on Croatian citizenship, electoral right, registers of births, marriages and deaths,

- decides in administrative matters regarding the change of personal name, acts upon requests submitted by diplomatic and consular missions of the Republic of Croatia regarding the issuing of documents for citizens abroad,
- carries out activities for the International Commission for civil status issues (CIEC),
- participates directly in the work of international institutions dealing with issues of administrative law, state administration and local self-government; monitors the implementation of the Law on general administrative procedure and of the regulations on office business;
- registers political parties, trust funds, foundations, representation offices of foreign trust funds and foundations in the Republic of Croatia, and national minorities councils;
- controls the implementation of the Law on legal status of religious communities and keeps corresponding registers;
- carries out activities of administrative inspection and other activities related to general administration.

The Central State Administrative Office for Public Administration has eleven sub-units:

- Department for general, IT and accounting activities
- Department for general administration
- Department for civil status issues
- Department for legal issues related to the system of civil servants
- Department for the planning and management of human resources in the state administration
- Department for the planning and organisation of training
- Training centre for civil servants
- Department for the state administration system and the approximation of national legislation to the EU '*acquis*'
- Department for the structure of local and regional self-government
- Department for the control of local and regional self-government and for cooperation
- Sector of administrative inspection

For the purpose of performing various regulatory tasks, the following organisations are established, each by a separate law:

- Agency for the Protection of Market Competition
- Agency for the Supervision of Pension Funds and Insurance Companies
- State Agency for Deposit Insurance and Bank Rehabilitation
- State Audit Office
- Energy Sector Regulation Council
- Telecommunications Council

Heads of these organisations, in different modes, are appointed by the Parliament.

Other central non-ministerial bodies are diverse implementing agencies:

- Agency for Transactions and Mediation in Immovable Properties
- Agency for Exports and Investment Promotion
- State Agency for Deposit Insurance and Bank Rehabilitation
- Financial Agency (FINA)
- Croatian Academic and Research Network (CARNet)
- Croatian Agency for Small Business
- Croatian Information and Documentation Referral Agency (HIDRA)
- Croatian De-mining Centre
- Croatian Privatisation Fund
- Croatian Employment Institute
- Croatian Securities Commission
- Central Depository Agency
- Croatian Institute for Health Insurance
- Central Register of Insured Persons (REGOS)
- Croatian Regional Development Fund
- Croatian Development and Employment Fund
- Croatian State Archives
- Croatian Seized Property and Compensation Fund
- Croatian Hydrographic Institute
- Croatian Pension Insurance Institute

The scheme of all agencies, commissions, offices, institutes and funds, with the modes of appointment for their heads, can be found in Annex 2 to this document.

5.7 *Inter-ministerial Coordination*

Inter-ministerial coordination is regulated by the Standing Rules of the Government of the Republic of Croatia. In terms of decision-making, the Standing Orders set up a hierarchy of four formal levels of central political review and decision-making, as follows:

- Council of Ministers;
- Inner Cabinet (Prime Minister and four Deputy Prime Ministers);
- Permanent working bodies: three Permanent Committees of Ministers (called 'Coordinations', Chaired by Deputy Prime Ministers):
 - Permanent Committee (Coordination) on social affairs and human rights
 - Permanent Committee on the economy
 - Permanent Committee on interior and foreign policy; and three commissions:
 - Commission for the relations with religious communities
 - Human resources commission
 - Administrative commission

- Three Permanent Working Groups (members are Assistant Ministers, the Chair is a Secretary who reports to one of the Deputy Prime Ministers, paralleling the 'Coordinations')

The Permanent Committees have their subordinated Permanent Working Groups, who perform inter-ministerial coordination on expert and technical level. Each Permanent Committee, with the belonging Permanent Working Groups, and the Commissions, has its Office, for logistic and administrative support, as part of the Government Secretariat. Members of the Permanent Committees and the Commissions are the ministers and heads of State Administrative Organisations (SAO) whose remit falls within the responsibility of a Committee or Commission. The Government appoints the members of the Committees and the Commissions.

The Permanent Committees and the Commissions are chaired by the Deputy Prime Ministers, or the ministers appointed by the Government.

Members of the Permanent Working Groups are the assistant ministers or the assistants to the heads of SAO, or other civil servants appointed by the minister or head of SAO. Permanent Working Groups are chaired by the Head of the Office of the Permanent Committee.

The role of the Permanent Committees and the Permanent Working Groups is described in scheme-flowchart, Annex 3 to this document.

5.8 Governmental Preparatory Legislative Process

The Governmental legislative process is regulated by the Standing Rules of the Government. Preparation of legislation may be initiated by the Government, or by individual ministries. Within ministries there are no separate legislative units; the work on drafting legal texts is entrusted to appropriate directorates or departments, e.g. assistant ministers or heads of departments. For the preparation of legal texts, the Government may appoint ad hoc working groups, assembled by the representatives of different ministries, the SAO, the non-governmental sector or others. In practice, a large proportion of legislation is drafted by, or in cooperation with academia, especially the Law Faculty of the University of Zagreb.

There is no custom of drafting concept or policy papers prior to drafting legal texts, nor of informal consultations between the ministries. The process of formal legislation procedure, including consultations is described in scheme-flowchart, Annex 3 to this document.

The Government's Legislation Office is involved in all stages of the process of preparing legislation. The Office supervises the quality of legal texts and compliance with other laws and acts. However, the Legislation Office is not authorised to comment upon the content of the law, only on the form.

Regulatory impact assessment is required by the provisions of the Standing Rules of the Croatian Parliament, incorporated in the Standing Rules of the Government. Article 132 of the Parliamentary Standing Rules demands that every proposal of the law (draft law) has to be accompanied by:

- constitutional basis for the adoption of the law;
- assessment of the situation in the relevant sector, overview of the basic issues to be covered by the law, and an assessment of the possible consequences and impact of the law;
- estimation and possible resources for eventual financial impacts of the law;
- necessary explanation of the articles of the law; and
- text of the provisions of the existing law, if the provisions are to be changed or supplemented.

However, even though the Standing Rules form the basis for regulatory impact assessment, it is not standardised.

For those laws or other acts that are to be adopted as a part of the European Integration process, two documents have to be attached:

- “Statement of Compatibility of (draft of) Proposed Legislation with the *Acquis Communautaire*” (Compatibility Statement) – a document signed by the Minister for European Integration providing general comment on the compatibility of the proposed act with the *acquis*; and
- “Comparative Survey of Conformity of EU Provisions with the Provisions of the Proposed Act” (Comparative Survey) – a comparative table of the act and the related EU provisions (directives), article by article.

Secondary legislation and the implementation acts (e.g. Decisions, Decrees, Orders, Rule Books etc) have two-fold grounds for adoption:

- Law (the ground for adoption has to be explicitly stipulated in the referent Law, by article, paragraph, line) when the ministry or other state administration body adopts the act; or
- Government’s Standing Rules, when the Government adopts the act. Each state administration body has the right to propose decisions to be taken by the Government.

There are no special procedures for inter-institutional coordination regarding the adoption of the secondary legislation or other acts: the same procedure applies as for draft laws.

5.9 Executive Budgeting Process

The budgeting process can be divided into three main phases: the preparation and planning of the budget, the proposal and approval (adoption) of the budget, and the execution of the budget. Execution, monitoring and control comprise the final phase.

The Government is directly in charge of the proposal of fiscal policy and definition of the strategy of the state budget within the proclaimed economic, social and political goals. The Government sets out the all-necessary measures needed for collection of the revenues and gives proposals for allocations of the funds for specific purposes and priorities.

The Ministry of Finance (MoF) does the work for the Government with respect to collecting the resources for the budget and paying them out. The MoF draws up and checks the budget, plans and monitors the execution of public revenue and expenditure. Furthermore, the MoF is responsible for proposals and advice related to the macroeconomic framework and fiscal strategy and predictions on the inflow of the revenue and receipts into the budget.

5.10 Advisory and Consultative Arrangements

The Law on the Government of the Republic of Croatia provides for the establishment of temporary working bodies charged with advisory, consultative and other expert tasks. These bodies may be established by government decision, and their sessions are chaired by one of the Deputy Prime Ministers.

6. Executive Linkages

6.1 *The Executive and the Presidency*

The President of the Republic and the Government cooperate in the formulation and execution of foreign policy. The President, with the counter-signature of the Prime Minister, decides on the establishment of the diplomatic missions and consular offices, and appoints and recalls diplomatic representatives, at the proposal of the Government and the opinion of the authorised parliamentary committee.

The President may propose to the Government to hold a session and consider certain issues, and may be present at the meeting of the Government and take part in deliberations.

The President and the Government cooperate in directing the operations of the security services. The appointment of the heads of security services has to be co-signed by the President and the Prime Minister, upon a prior opinion of the authorised parliamentary committee.

There are no formal channels of communication between the President and the Government. The Prime Minister's Office is primarily responsible for communication between the Government and the President.

6.2 *The Executive and Parliament*

The communication between the Government and the Parliament is strictly formal, by means of law proposals and proposals for other acts. Other means of communication are determined by the Constitution, and mostly cover mechanisms for assuring Government's responsibility to the Parliament, as explained in chapter 4.2 of this document.

Formally, the Office of the Prime Minister is responsible for the relations between the centre of government and the Parliament. The representatives in the Croatian Parliament have a right to raise questions for the Government and submit interpellations (has to be signed by one-tenth of the total number of representatives). The representatives' questions may be submitted in written form or orally, during the time foreseen for Government answers at the start of each session, before the first item on the agenda. It generally lasts four hours, and the Prime Minister is responsible for ensuring the presence of at least one-half of the members of Government. If a minister or Prime Minister is not able to provide an answer immediately, he can submit a written answer within next 30 days.

The Government is obliged to report, upon request of the Parliament, on its policies, activities, law enforcement and other issues. The Government may submit reports on its own initiative as well.

Once the President of the Parliament has proposed the agenda of the parliamentary session, the Government, as a proposer of a law or other act, may submit a written complaint or suggestion, at the latest a day before the session. The Government may participate in the determination of the agenda according to the Standing Rules of the Croatian Parliament, which apply for all entitled proposers of law or other act.

The Government submits the proposal of the state budget, with explanations, to the President of the Parliament. The same rules apply for the budget as for other laws or acts, and the Parliament and the representatives have the right to amend the proposal. Once the budget has been adopted, only the Government is entitled to propose changes. The Parliament has the possibility to control the execution of the budget through regular annual reports that the State Audit Office is supposed to submit to the Parliament.

6.3 *The Executive and Political Parties*

The work and activities of political parties is regulated by the Law on Political Parties. All political parties and their organisational forms have to be registered by the Ministry in Charge of Public Administration (now the Central State Administrative Office for Public Administration). If the Ministry (now: the Office) estimates that the party, that has submitted the application for registration, in its programme advocates subversion against the constitutionally-set free democratic order or in other ways threatens the sovereignty of the Republic of Croatia, the Ministry (now: the Office) can propose the initiation of the procedure for determination of constitutionality before the Constitutional Court. The Constitutional Court may prohibit the registration and work of a political party. Upon such ruling, the Ministry (now: the Office) will not register the political party in question. This procedure has so far been activated only twice, in the early 1990s. The same procedure applies for dissolving an existing political party; however, this has not happened so far in Croatia since the establishment of a multi-party democracy in 1990.

Only the parties registered on the date of official announcement of the parliamentary elections (by the President of the Republic) are entitled to participate in the elections.

According to the Law, political parties are non-profit organisations. They can, in order to perform their activities, acquire funds through membership fees, contributions, publishing revenues, state and local budgets, and other legal sources.

Some 0.056 per cent of the state budget is annually divided between the parliamentary parties, in quarterly rates. The amount is the same for each representative (increased by 10 per cent for the representatives of the underrepresented gender), so the parties receive funds proportionally to the number of their representatives in the Parliament. The same rule applies for the local level: city, municipality and county councils.

The political parties are obliged to publish data on their annual budgets, including the origin and the purpose of the funds acquired. Financial reports should be submitted to the State Audit Office prior to the submission to the Parliament. If any of the funds were acquired illegally or were not published, the party may lose the right to use the state budget allocation for the political parties.

Political parties are not allowed to advertise themselves, or sponsor programme or parts of programmes in the electronic media (TV and radio), except during the period of official electoral campaign. During the campaign the electronic media are obliged to provide equal treatment and conditions for promotion of political parties. These provisions do not apply for other media (e.g. newspapers, magazines, internet).

6.4 *The Executive and Civil Society*

There are different fora in which the representatives of the civil society groups are involved in the legislative and consultancy processes. One of the most important is the Economic-Social Council, which assembles the representatives of the Government, the trade unions, and the employers' associations. The purpose of the Council is to protect and promote economic and social rights, as well as interests, of the employees and employers, coordinate economic, social and development policies, and initiate, negotiate and implement collective contracts. The Council has at least one session per month. In order to include a wider circle of non-governmental and interest groups, the Council may form the Forum of the Economic-Social Council. In its work, the Council is assisted by the expert commissions for individual issues within the scope of its work. The Government Office for Social Partnership provides technical assistance and logistics for the Council.

There is no formal mode of communication between the Government and the NGOs in the preparatory stage of legislation. However, it is common that the ministries or other state institutions entitled to propose legislation consult relevant NGOs, or even include them directly into drafting

law proposals (Law on Consumers' Protection, Law on Conflict of Interest, etc.). NGOs also use other legal and legitimate activities to influence the policy- and decision-making process. Legal status, rights and duties of NGOs and other associations is regulated by the Law on Associations.

6.5 The Executive and the Media

The Public Relations Office of the Government is in charge of informing the mass media on the activities of the Government. The Office issues press releases, organises press conferences and disseminates information in other appropriate ways. Within the Office there are two departments: The Department for Media and Analytics and the Department for Citizens Relations. The Head of the Public Relations Office is also the spokesperson for the Government.

Each ministry has, within the minister's cabinet, its own public relations unit and spokesperson.

7. Deconcentration and Decentralisation

7.1 Deconcentrated State Administration

Deconcentrated State Administration in Croatia has been organised through State Administration Offices in counties. The offices perform most of the state functions and services for respective counties except military and police affairs, which are solely and directly handled by the central authorities.

The Government coordinates the work of the offices and their relation to central authorities, when deciding on administrative matters. The work of the offices is functionally divided into five departments: Secretariat, economics, spatial planning, environment, construction and property-legal relations, social activities and general administration.

The Central State Administrative Office for Public Administration is directly in charge of the Offices. The Offices are run by the Head of the Office (*predstojnik*), appointed by the Government.

7.2 Regional Self-government

Croatia has been territorially divided into 20 counties and the City of Zagreb with the status of county, which all have an elected assembly. The assembly elects the head of the county (*zupan*) (mayor in the City of Zagreb) from its members, who then propose the county government for the conformation to the assembly.

Counties perform their tasks in scope of regional importance, especially in:

- education;
- health;
- spatial and urban planning;
- economic development;
- transport and traffic infrastructure; and
- Planning and development of network of educational, health, social and cultural institutions.

7.3 Local Self-government

Local self-government in Croatia is organised through cities and municipalities. Currently, there are 123 cities and 426 municipalities. Their legal base is founded in the Law on Local and Regional Self-Government (Official Gazette, 33/01).

Their main functions, in local terms, refer to:

- housing;
- spatial und urban planning;
- utilities;
- social and child care;
- primary health care;
- elementary education;
- culture and sports;
- consumer protection;
- environment protection; and
- fire protection and civil defence.

Cities with more than 30 000 inhabitants can perform the functions of the regional self-government, if they can secure the financial conditions for the delivery of the service.

Each local self-government unit has a directly-elected council, which elects the Mayor from their members, as well as the city (municipality) government, on the proposal of the Mayor. The number of deputies in the council and the members of the local government are determined by law, according to the number of inhabitants.

The Council enacts the statute of the local self-government unit, makes decisions and other general acts within its scope, elects and dismisses the mayor, members of the local government and other persons as regulated by law, establishes and elects the working bodies of the council, makes internal arrangements for administrative bodies of the local unit, establishes public institutions and other legal entities for commercial, social or other purposes of local interest, as well as other activities provided for by law or other legal provisions.

The Mayor represents the local self-government unit and presides the local government. The Mayor has the authority to suspend a general act of the Council if he estimates that the act is in breach of another law and may ask the Council to reconsider its decision within 15 days. If not, the Mayor is obliged to inform the official (Assistant Minister) in the Central State Administrative Office for Public Administration authorised to supervise the legality of the work of the local and regional self-government.

Local government prepares proposals of general acts, executes or ensures the execution of general acts of the assembly, directs the work of the administrative bodies within their scope of competencies, manages the assets in the ownership of the local self-government unit, as well as the revenues and expenditures according to the law and the statute and does the other work envisaged by the statute.

Financing of the local self-government is regulated by the Law on the Financing of the Local and Regional Self Government Units. The law specifies the shares of the local and regional self government units in the so-called "common taxes" shared with state budget, which are: income tax, tax on profit, tax on gambling and real estate tax. Cities and municipalities also have the right to impose additional income taxes (surtaxes). In addition, they have the exclusive right to collect the revenues from taxes on: commercial ads in public places, beverage consumption in catering, holiday houses, and usage of the public property.

Under certain conditions, the Government can dissolve the assembly of the regional or local self-government and appoint a temporary commissioner until next elections. The powers of the temporary commissioner are limited.

The Ministry of Finance and the State Audit Office are in charge of financial control, whereas the Central State Administrative Office for Public Administration controls the concordance of local and regional legal acts with other laws.

The law contains provisions that allow the municipalities, cities and counties to establish associations in order to promote and fulfil their interests. The law also regulates the conditions of collaboration between local and regional governments and foreign associations.

Each individual local self-government unit sets the rules and procedures for staffing and management.

City of Zagreb

The city of Zagreb, with the status of a county, has been specially positioned in the Croatian administrative system. It is governed by a separate law (Law on the City of Zagreb, Official Gazette 62/01), which has provisions that the city of Zagreb exercises local as well as regional-level powers. Furthermore, the city of Zagreb acts within the scope of the decentralized state administration. The City of Zagreb is divided into 17 city districts, with a district council each. District councils are not local self-government units, do not have a legal personality and have very limited budgets and authority.

8. Personnel Management in Public Administration

8.1 *Legal Bases and Principles of Public Employment*

The Law on Civil Servants and Civil Service Employees and the Labour Law establish the legal basis for public employment. The first refers to the people employed in the ministries, state administrative organisations, judicial and penitentiary organisations, professional services of the Government, Parliament, Ombudsman, Constitutional Court, State Audit Office and Office of the President of the Republic of Croatia and other bodies established to exercise the state powers. Additionally, the Collective Contract between the Government and the civil servants and state employees determines certain rights and working conditions.

It is forbidden to favour civil servants or prevent them from exercising their rights because of their political, national or religious affiliation, race, gender or any other factor, as guaranteed by the Constitution and the rights and freedoms established by law.

8.2 *Personnel Management*

The prime political responsibility for development of personnel policy is vested within the Central State Administrative Office for Public Administration.

There is no standardised formal recruitment procedure, but all organisations apply similar staffing process. After approval by the Ministry of Finance and the Central State Administrative Office for Public Administration, the post is publicly advertised. They then review the applications received, form commissions to appraise the applications, arrange for testing, if deemed necessary, interview candidates, and make their decisions concerning the candidates. Once the decision is made, the civil servant is subject to a probation period, and eventually takes a state exam.

Ministers and heads of other state organisations are in charge of appointments and promotions within their organisation, but only up to level of head of department. However, these decisions have to be approved by the Ministry of Finance and the Central State Administrative Office for

Public Administration, in terms of fulfilling the formal conditions, such as working experience, formal education and state exam. The government of the Republic of Croatia is directly in charge of the appointment of senior civil servants, on the proposal of minister or head of other state organisation, respectively.

Each new recruit for a civil servant's position has to undergo a probation period before he/she can be awarded the status of a civil servant. The probation period lasts from 12 to 16 months, after which the candidate has to take the State and Expertise Exam. There is no earmarked budget for training of civil servant candidates. During their probation period, the candidates are paid 85 per cent of their future salary. Under the new regulation of the internal order of the Ministry of Finance and the Ministry for Justice, Administration and Local Self-Government (November 2003), a separate administrative unit for training in public administration has been established. This unit is in charge of developing the overall system of training in public administration.

There are no positions in Croatian public administration where foreign donors directly pay the position-holder.

9. Administrative Oversight and Control

9.1 Internal Oversight and Control

Internal oversight and control is the task of the Office for Internal Supervision of the Government of Croatia, which is subordinated directly to the Government. The Office is authorised to check on the state administration bodies regarding their financial and asset management. It can check whether the budget funding is appropriately allocated, assets are managed according to the law and other acts and if the funds are spent in meaningful and economical manner.

Besides the Office for Internal Supervision, there is also the Budget Supervision Office, which operates under the remit of the Ministry of Finance. It has the overall responsibility for budget supervision and internal audit. These two auditing bodies have somehow overlapping competencies, but as the process of setting up a system of internal audit is currently underway in the Croatian public administration, that situation is to be resolved in the pre-accession period.

Regarding internal audit in the various state organisations itself, the Ministry of Finance has started a programme of internal audit for the state administration and other organisations in the public sector in autumn 2003. The programme is carried out in cooperation with foreign donors. The first generation of internal auditors is to be trained through years 2003/2004 and 2004/2005.

9.2 External Audit and Control

The supreme external audit institution is the State Audit Office. Its scope of work encompasses all state institutions, regional and local-self government units and companies where the state (on central, regional or local level) has a majority share. Extra-budgetary funds are included.

The Office consists of a main office in Zagreb and 20 regional offices. In 2003, the State Audit Office employed 247 persons and had a budget of approximately 41.2 million HRK (app. 5 500 000 €)

The State Audit Office is directly answerable to the Croatian parliament to which it reports once a year. The reports are publicly available on the internet (www.revizija.hr), except those protected by the Law on State Secrets. The chief state auditor is appointed by the Parliament with an eight-year mandate.

The external audit is regulated by the Law on State Audit (Official Journal 70/93, 48/95 and 105/99). The external auditors perform financial audits to ensure that the budget funds have been spent for the purposes they had been allocated.

9.3 Public Redress

The main avenues open to individuals who wish to challenge an administrative decision are provided for by the Law on General Administrative Procedure and the Law on Administrative Litigation.

The Law on General Administrative Procedure lays out the detailed procedure that should be undertaken when dealing with administrative cases. It also stipulates the means of challenging the administrative decision.

If there is no possibility of challenge the decision before the second instance of the administrative body, the decisions can be appealed against before the Administrative Court. The Administrative Court decision can be challenged by the Supreme Court of the Republic of Croatia.

Citizens cannot appeal directly to the Constitutional Court.

The institution of Ombudsman was established by the Law on the Ombudsman (Official Journal 60/92) The Ombudsman is the plenipotentiary of the Croatian parliament protecting constitutional and legal rights of citizens regarding state administration and other bodies that have public authority. The Ombudsman reviews individual cases of endangered rights of citizens by any action of the administration or its officials.

He is appointed by the Parliament for a term of eight years, to which he reports annually. The Ombudsman is entitled to report his/her observations, notices, recommendations and suggestions to the media, which are obliged to publicise it.

The institutions of the Ombudsman for Children and Ombudsman for Gender Equality have been established in 2003.

There are three regulatory bodies in Croatia: the Agency for Protection of Market Competition (APMC), the Croatian Energy Regulatory Council (CERC) and the Telecommunication Council (TC). The latter two are relatively new institutions, so their role cannot be fully analysed at this time; however, the Agency has established itself as a regulator to whom citizens can turn to for redress.

10. Specific Topics

10.1 Public Procurement

Public procurement is regulated by the Law on Public Procurement (Official Journal, 117/01) and is mandatory for all state institutions, regional and local self-governments, companies controlled by them, companies subsidised by the state, legal persons which use state funds for procurement or state land concessions for construction or perform one or more activities in water and energy, transport or telecommunications.

The law offers three methods for procurement: open procedure, restricted procedures (upon the pre-qualifications) and direct contracting. For the latter two, the procurement officer has to have the approval of the Public Procurement Office. The Public Procurement Office was created in November 2003 and, according to the Law on Public Procurement, it took over the functions and staff from the Directorate for Public Procurement, which has previously operated within the Ministry of Finance. The Office is the service of the Government authorised to implement and supervise the Law on Public Procurement and to deal with the various issues related to that matter.

The contracting entities have to announce all tenders worth 200 000 HRK (app. 27 000 €) or more in the Official Journal of the Republic of Croatia. The law stipulates that all procurements valued above 200 000 €, or 130 000 € for special types of services; contracts of entities operating in water, energy and transport sectors above 400 000 €, and in telecommunication markets above 600 000 €, have to be published in the Official Journal of the EC as well.

The rules for the contracts worth less than 200 000 HRK are set in the Government's Decree on Procurement Procedure of the Goods, Works and Services.

All models for tender documents are available electronically on the internet pages of the Official Journal (www.nn.hr).

Regarding the complaints filed by the tenderers after the first instance of complaint filed on the placer of the order itself, the State Commission for the Control of the Procedures in Public Procurement is empowered to finally decide upon the validity of the questioned contract. The Law on the State Commission for Supervision over Public Procurement Procedure stipulates that it consists of five members appointed by the Parliament, upon the proposal of the Government. The first members were appointed in October 2003.

The Commission's decision can be contested by administrative litigation on the Administrative Court.

10.2. Combating Fraud and Corruption

The Government of the Republic of Croatia adopted the National Programme for the Fight Against Corruption in 2001, as well as an Action Plan on 21 March 2002. The Parliamentary Commission has a supervising and monitoring function over state bodies responsible for implementation of the Action Plan. The Judiciary Committee of the Croatian Parliament has launched the procedure for the establishment of a Parliamentary Commission in July 2003. The Ministry for Justice, Administration and Local-Self Government is obliged to report on progress in the implementation plan at least twice a year.

The Office for Fighting Corruption and Organised Crime (USKOK) was established in October 2001, with special investigating competences. The Office is subordinated to the State Attorney Office. The head of the USKOK is appointed by the deputy State Attorney General.

The amendments of the Penal Code (July 2003) have enabled better quality processing of organised crime, active and passive corruption in the public and private sectors and trading in influence, in line with contemporary trends and conventions. An offender could be sentenced to up to eight years in prison.

The Law on Preventing Conflict of Interest in Public Service has established a system for monitoring the financial status of elected and appointed public officials. They range from members of Parliament and Government to officials from various state organisations and mayors of the cities and municipalities. The Commission for the Deciding on Matters of Conflict of Interest is in charge of registration and disclosure of the data. The Commission consists of seven members, four MPs and three other respected public officials. The law stipulates that two or more members of the Commission cannot be members of the same political party.

10.3 Access to Public Information

According to the Law on General Administrative Procedure, every act of the state (public) authority has to be explicitly legally founded. It has to be published in Official Gazette, argued and give provision for the redress of administrative acts. The work of the state administration is public,

except in cases stipulated in the law, and every party that can prove the legal interest in the procedure has the right to participate in the procedure.

State administration bodies are obliged to give citizens and legal persons' data, information and instructions and provide them with expertise if they are turning to the state administrative bodies. They are also obliged to inform the public about their activities through the media or any other suitable means.

The disclosure of certain reports can only be denied in cases when it would cause a breach of the duty of keeping official secrets or be contrary to protected interests of the citizens or legal persons as established by law.

10.4 Rights of Minorities

The Constitutional Law on the Rights of National Minorities regulates and protects the rights of minorities in the Republic of Croatia. The law is very extensive and gives provisions aligned with good practices regarding the issues of ensuring and protecting the rights of national minorities.

Among other things, the law guarantees members of national minorities the representation in their local self-government unit through the establishment of additional councils and representatives in their local government. The Council has the right to: propose measures to improve the situation of the national minorities, including proposing legal acts, candidates for public officials; be informed about every issue discussed in the local assembly regarding national minorities; and give opinions and proposals about the local broadcasting programmes regarding national minorities. Councils have the status of non-profit legal persons and may associate with other councils in Croatia. They are funded through local and/or national budgets.

On national level, the law stipulates the establishment of the Board for National Minorities, which consists of 12 members appointed by the Government for a four-year term, and the members of Parliament elected as members of the national minority (currently eight deputies). Nationwide, the Board has similar rights as the local councils.

Furthermore, the Office for National Minorities has been established in the Government, and the Committee for Protection of Human Rights and Rights of National Minorities has been established in the Parliament.

10.5 e-Government

The Croatian government has adopted a major project called 'E-Government Croatia'. The initiative addresses three sets of relationships: government to government (G2G), government to citizen (G2C), and citizen to government (C2G). Each part of the project has a corresponding technology solution: e-government portal (for G2G), open e-government (for G2C) and e-government gateway (for C2G). So far, paperless government sessions as well as the internal e-government portal have been introduced.

All ministries and state administrative organisations provide information about their work and activities electronically. All official documents published in the Official Journal are also available electronically free of charge (www.nn.hr).

It is not possible to conduct transactions with the public administration electronically. The main government web site is www.vlada.hr.

11. Managing European Integration

11.1 The Institutional Framework of EU-Related Policy-Making

The Stabilisation and Association Agreement is currently regulating the relations between the Republic of Croatia and the EU. Croatia has formally applied for full membership in 2003 and is expected to become a candidate in 2004.

The administrative work related to EU affairs has been divided in the Croatian administration. The Ministry of Foreign Affairs is primarily in charge of the political aspects and outward coordination, whereas the Ministry for European Integration (MEI) does most of the work in coordination of domestic policies.

11.2 Managing the Approximation of Laws

The MEI coordinates the harmonisation of the Croatian legal system with that of the EU and issues opinions on the compatibility of draft acts with the *acquis communautaire*.

The MEI is in charge of preparing the National Programme for the Integration of the Republic of Croatia into the EU (NP/IEU), which, among other issues, sets out the detailed and comprehensive list of the laws that should be approximated. MEI also coordinates the implementation of the National Programme in the Government of Croatia. The competences, related to particular sectors of the National Programme, have been conferred to civil servants from the Ministry of European Integration. Civil servants from the Ministry of European Integration are in charge of regular operational monitoring of the National Programme implementation, maintaining regular contacts with colleagues from state administration sectors under their authority. This system enables implementation to be monitored at the operational level – both inter-ministerial and for each administration body.

An interactive database (Management Reporting Information System) will be set up in the Ministry of European Integration to facilitate technical monitoring of the National Programme implementation.

The joint session of all the coordinating bodies of the Croatian Government has been put in charge of monitoring implementation on the political level. The Joint Coordination is a forum for political debate on European integration issues, issues related to the implementation of the National Programme as well as the Implementation Plan for the SAA. The session of the Joint Coordination is held every two months and is provided with information on the progress made; on problems arising from the implementation of the National Programme as well as suggestions to resolve them; and the need to redefine existing priorities, as well as suggestions on setting new ones. The Joint Coordination's role is to propose solutions to the Government enabling a transfer of measures over to the next cycle of the National Programme.

11.3 Implementing the *acquis communautaire*

In order to meet requirements of the Stabilisation and Association Agreement, the MEI has developed, through coordination with other state bodies, the Implementation Plan of the SAA. The fulfilment of obligations requires an adequate institutional set-up in every state administration body concerned by the Implementation Plan. Administrative units for European integration have been established for this purpose.

The MEI has been constantly training the Croatian civil service on issues of European integration (EI). Besides giving grants for post-graduate programmes in EI abroad (over 120 have been given so far), it also provides various seminars on the subject. In 2003, it organised 35 seminars with 870

attendants in the following modules: EU Basics; EU Law; Regional Policy; and Project Cycle Management. The modules on EU economy and EU documentation are due to start in 2004.

Furthermore, additional capacity-building is organised through the implementation of the CARDS programme, which envisages the funds for institutional and capacity building of Croatian administration to meet requirements of the SAA.

11.4 Managing Technical Assistance

The Croatian Government is obliged to undertake measures to efficiently coordinate all foreign assistance and donations under the Stabilisation and Association Agreement. For this purpose, the Government has formed a Permanent Task Force for monitoring the implementation of overall assistance that Croatia receives from foreign resources. On the implementation level, two institutions are in charge of coordinating the implementation of foreign assistance programmes and projects: the Ministry for European Integration and the Ministry of Finance.

Within the Ministry for European Integration, the Directorate for Coordination of Assistance Programmes and Cooperation with the EU has been formed. In 2000, the EU started an assistance programme for the countries of South-Eastern Europe (CARDS). The aim of this programme is to support participation by the recipient countries in the stabilisation and association process while facilitating closer association with the EU. The main tasks of this Directorate are to programme foreign assistance in cooperation with other state administration bodies and provide expert assistance and information on EU programmes in which Croatia participates. In cooperation with the European Commission representatives and taking into consideration the priorities of the relevant ministries and the priorities established through the Government programme, the Directorate coordinates the process of assistance programming and of cooperation with the EU.

For the purpose of monitoring and coordinating foreign assistance programmes, a data base has been established at the Ministry for European Integration, available online at the Ministry's web site at: www.mei.hr.

The Directorate for Financing the EU Assistance Programmes and Projects in the Ministry of Finance is the central unit for all tasks related to financing, procurement, financial transactions, monitoring and audit of the implementation of all the EU assistance programmes and projects in the Republic of Croatia.

The Directorate for International Financial Institutions and European Integration, within the same Ministry, performs tasks related to multilateral financial cooperation and obligations of the Republic of Croatia imposed by its membership in international and regional financial institutions. The Directorate also prepares and monitors the implementation of investment projects and technical assistance projects financed by international financial institutions. The Directorate is in charge of those tasks concerning European integration process which fall under the remit of the Ministry.

12. Plans for Reform and Modernisation

In November 2002 the Government appointed a Task Force to prepare a proposal for the reform of state administration. The report was delivered to the Government in June 2003. The findings of the report have indicated the need for organisational reform and for professionalisation of senior civil servants in state administration; the report proposed concrete measures, inter alia reorganising and strengthening the Centre of Government (Prime Minister's Office), improving the decision-making and legislative process, reorganising the system of governmental agencies and establishing a training system for the whole civil service.

Simultaneously, and as a support to the process, the Ministry of Justice, Administration and Local Self-Government had started a project called: Public Administration Reform Project, Support to the

Reform of the State Administration. The project is funded through the CARDS Programme 2001. The overall objective of this project is to promote modern and professional public service, capable of meeting the administrative standards and practices for the Member States of the European Union. The project focuses on three specific objectives:

- Strengthening and modernising the current civil service regime through improved legislation and procedures for human resource management, remuneration system and recruitment and career development systems.
- Improvement of organisation, functioning and coherence of central civil service management systems.
- Capacity building for delivery of training programmes for civil servants.

13. Key statistics

Personnel and Budgetary Data

No.	Name of the State Administration Body	No. of public servants	No. of state employees	T O T A L	Budget (HRK)
	MINISTRIES				
1.	Ministry of Interior	25.277	504	25.781	3 215 167 265
2.	Ministry of Finance	7.193	653	7.846	16 401 261 762
3.	Ministry of Defence	9.740	123	9.863	4 090 262 281
4.	Ministry of Foreign Affairs	589	313	902	350 679 252
5.	Ministry of Labour and Social Welfare	132	61	193	25 230 786 535
6.	Ministry of Economy	143	45	188	565 018 700
7.	Ministry of Trades, SMEs	21	5	26	141 957 633
8.	Ministry for European Integration	42	19	61	33 112 483
9.	Ministry of Science and Technology	100	34	134	2 672 695 951
10.	Ministry of Health	71	20	91	13 344 646 246
11.	Ministry of Tourism	41	12	53	180 212 727
12.	Ministry of Education and Sports	169	69	238	5 118 746 648
13.	Ministry of Environmental Protection and Physical Planning	423	51	474	149 898 870
14.	Ministry Justice, Administration and Local Self-Government	1 984	1 462	3 446	2 096 295 852
15.	Ministry of Public Works, Reconstruction and Construction	115	43	158	1 997 303 737
16.	Ministry of Maritime Affairs, Transport and Communications	464	115	579	2 048 279 435
17.	Ministry of Culture	262	69	331	637 450 485
18.	Ministry of Agriculture and Forestry	349	28	377	2 345 040 813
19.	Ministry for Croatian Homeland War Veterans	375	132	507	2 771 469 681
	TOTAL	47 490	3 758	51 248	83 390 286 356

No.	Name of the State Administration Body	No. of public servants	No. of state employees	T O T A L	Budget (HRK)
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CENTRAL NON-MINISTERIAL BODIES					
1.	State Inspectorate	803	60	863	118 331 523
2.	State Geodetic Directorate	1 082	37	1.119	156 883 312
3.	State Directorate for Water Management	36	2	38	284 622 245
4.	State Institute for Protection of Family, Maternity and Youth	17	7	24	1 649 823 633
5.	State Weather Bureau	356	74	430	56 267 569
6.	State Intellectual Property Office	86	5	91	16 809 448
7.	Central Bureau of Statistics	341	56	397	59 157 780
	TOTAL	2 721	241	2 962	2 341 895 510
State Administration Offices in Counties					
1.	Zagrebačka	249	101	350	
2.	Krapinsko-zagorska	177	59	236	
3.	Sisačko-moslavačka	170	69	239	
4.	Karlovačka	160	73	233	
5.	Varaždinska	149	83	232	
6.	Koprivničko-križevačka	127	37	164	
7.	Bjelovarsko-bilogorska	141	46	187	
8.	Primorsko-goranska	349	118	467	
9.	Ličko-senjska	129	68	197	
10.	Virovitičko-podravska	109	33	142	
11.	Požeško-slavonska	101	45	146	
12.	Brodsko-posavska	140	82	222	
13.	Zadarska	148	74	222	
14.	Osječko-baranjska	348	107	455	
15.	Šibensko-kninska	137	63	200	
16.	Vukovarsko-srijemska	231	134	365	
17.	Splitsko-dalmatinska	447	182	629	
18.	Istarska	227	73	300	
19.	Dubrovačko-neretvanska	213	74	287	
20.	Međimurska	90	30	120	

	TOTAL	3842	1 551	5 393	
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No.	Name of the State Administration Body	No. of public servants	No. of state employees	T O T A L	Budget (HRK)
	OTHER				
1.	General Administration Office of the Croatian Government and Parliament			289	40 304 407
2.	Offices of the Croatian Government			454	113 101 468
3.	State Audit Office	205	42	247	41 229 749
4.	Ombudsman Office			11	3 921 497
	TOTAL			1 001	
1.	Courts			4 982	
2.	State Attorney Office			700	
	TOTAL			5 682	
	Total of all state administration bodies	54 258	5 592	66 286	85 930 738 987

Note:

1. Distinction between public servants and state employees are only in their education, public servants have bachelor or higher degree.
2. Budget figures are for year 2003. (re-balanced).
3. Allocations for deconcentrated State Administration Offices in counties, courts and State Attorney Office are part of the consolidated budget for the Ministry of Justice, Administration and Local Self-Government.

14. Selected websites

President <http://www.predsjednik.hr/english/>

Parliament <http://www.sabor.hr/>

Government <http://www.vlada.hr>

Ministry of Finance <http://www.mfin.hr>

Ministry of Defence <http://www.morh.hr>

Ministry of Interior <http://www.mup.hr>

Ministry of Justice, Administration and Local Governments <http://www.pravosudje.hr>

Ministry of Foreign Affairs <http://www.mvp.hr>

Ministry of European Integration <http://www.mei.hr>

Ministry of Science and Technology <http://www.mzt.hr>

Ministry of Tourism <http://www.mint.hr>

Ministry of Labour and Social Welfare <http://www.mrss.hr>

Ministry of Culture <http://www.min-kulture.hr>

Ministry of Economy <http://www.mingo.hr>

Ministry of Agriculture and Forestry <http://www.mps.hr>

Ministry for Crafts, Small and Medium Size Enterprises <http://www.momsp.hr>

Ministry of Environmental Protection and Planning <http://www.mzopu.hr>

Ministry of Health <http://www.tel.hr/mzrh/>

Ministry of Education and Sport <http://www.prosvjeta.hinet.hr>

Ministry of Public Works, Reconstruction and Construction <http://www.mjr.hr>

Ministry of Croatian Homeland War Defenders <http://www.mhbdr.hr>

State administration organisations:

Croatian Bureau of Statistics <http://www.dzs.hr/>

State Audit Office <http://www.revizija.hr/>

State Office for Standardisation and Metrology <http://www.dznm.hr/>

State Directorate for Water Management <http://www.duv.hr/>
State Geodetic Directorate <http://www.dgu.hr/>
State Inspector's Office <http://www.dirh.hr/>
State Institute for the Protection of Family, Maternity and Youth <http://www.dzzomm.hr/>
State Intellectual Property Office <http://www.dziv.hr/>
State Weather Bureau <http://www.tel.hr/dhmz> ; <http://meteo.hr/>

Government Offices (with links):

Office for Cooperation with NGOs <http://www.uzuvrh.hr/>
Office for Development Strategy of the Republic of Croatia <http://www.hrvatska21.hr/home.asp>
Office for Human Rights <http://www.ljudskaprava-vladarh.hr/>
Office for Prevention of Drugs Abuse <http://www.uredzadroge.hr/>
Office for Social Partnership <http://www.socijalno-partnerstvo.hr/>
State Property Office <http://www.vlada.hr/drzavna-imovina/index.html>

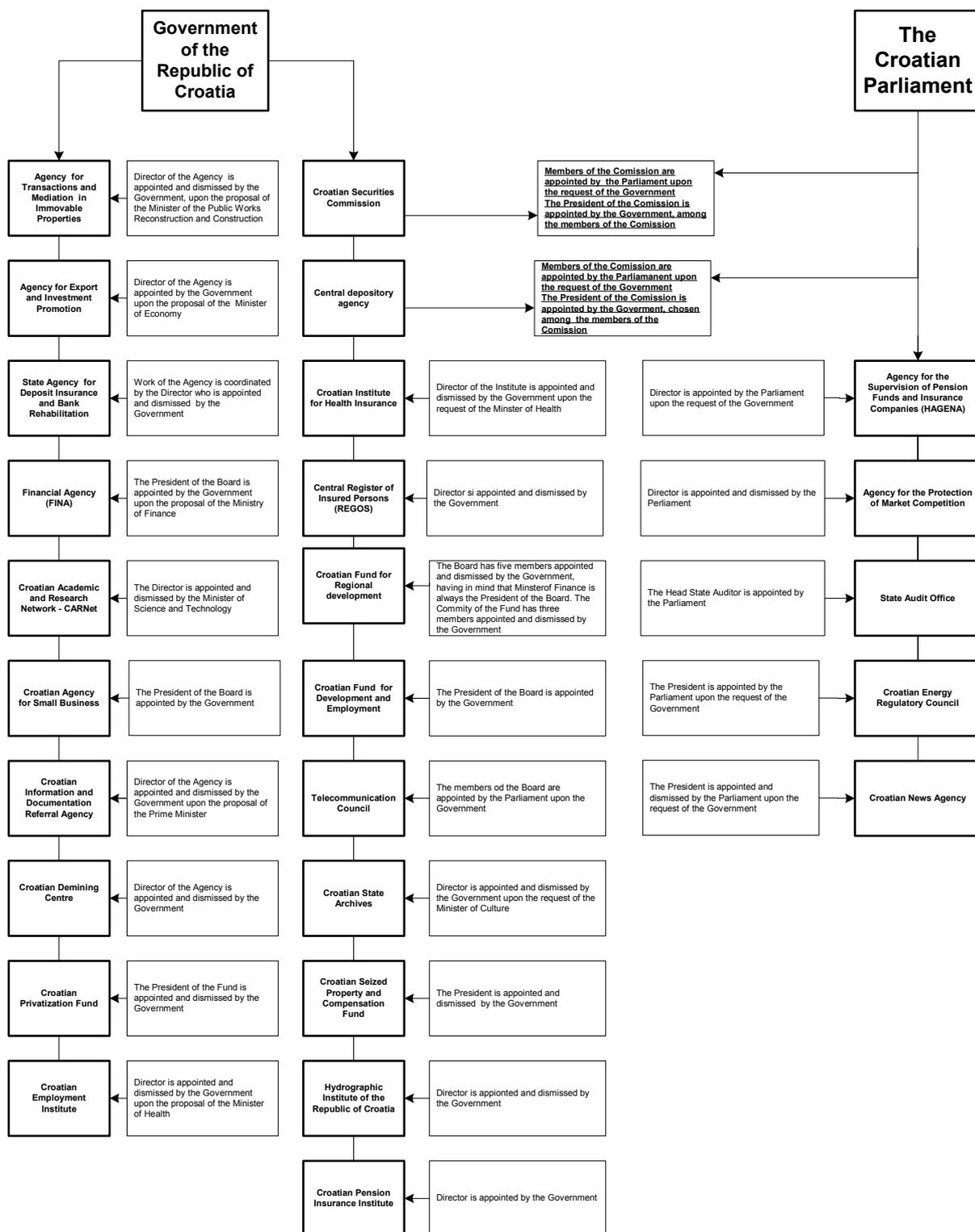
ANNEX 1: Government Secretariat - organigramme

<p>PRESIDENT OF THE GOVERNMENT OF THE REPUBLIC OF CROATIA VICE-PRESIDENTS OF THE GOVERNMENT OF THE REPUBLIC OF CROATIA MINISTER WITHOUT PORTFOLIO IN THE GOVERNMENT OF THE REPUBLIC OF CROATIA</p>
<p>SECRETARY TO THE GOVERNMENT OF THE REPUBLIC OF CROATIA DEPUTY SECRETARY TO THE GOVERNMENT OF THE REPUBLIC OF CROATIA</p>
<p>OFFICE OF THE SECRETARY TO THE GOVERNMENT OF THE REPUBLIC OF CROATIA - assistant to the Secretary 2 - adviser in the Government 3 - senior informatic adviser 1 - informatic adviser 1 - informatic referent 1 - expert adviser – lector 1 - administrative secretary to the vice-president and Secretary to the Government 5 - head of unit – house-keeper of Government premises Banski dvori 1</p>

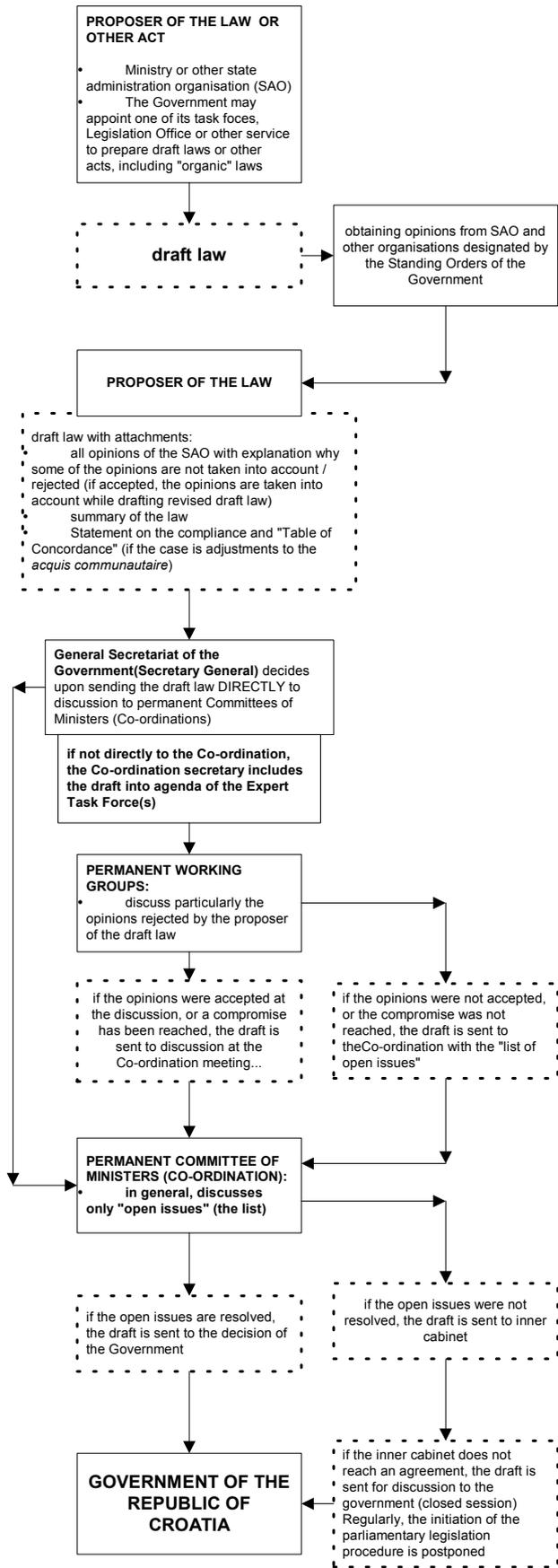
OFFICE OF THE COORDINATION FOR ECONOMY	OFFICE OF THE COORDINATION FOR INTERIOR AND FOREIGN AFFAIRS	OFFICE OF THE COORDINATION FOR SOCIAL AFFAIRS AND HUMAN RIGHTS	OFFICE OF THE HUMAN RESOURCES AND ADMINISTRATIVE COMMISSION OF THE GOVERNMENT	ADMINISTRATIVE, GENERAL, TECHNICAL AND AUXILIARY TASKS SERVICE
Head of the Office – secretary	Head of the Office – secretary	Head of the Office – secretary	Head of the Office – secretary	Head of Unit - head of service
Adviser to the vice-president of the	Adviser to the vice-president of the	Adviser to the vice-president of the	senior administrative adviser 1	administrative referent – typewriter 9

Government 3	Government 2	Government 2		
expert adviser 2	expert adviser 2	expert adviser 1	administrative adviser 1	auxiliary staff 3
expert associate 2			administrative secretary	
			administrative referent 3	

ANNEX 2: Agencies, Commissions, Institutes



ANNEX 3: Government legislative



procedure