

Report of the OSCE Mission to the Republic of Croatia on Croatia's progress in meeting international commitments since September 1998¹

-- 26 January 1999 --

Introduction

1. The Mission's second Progress Report (8 September 1998), covering the summer period, noted a "more positive momentum due to the adoption of the Government's Return Programme and to an improvement in the atmosphere of co-operation with the international community". At that stage, the Mission stressed that in order to maintain positive momentum further steps were necessary in the immediate future, namely the swift implementation of the Return Programme, substantial reform in the broadcast media sector and reform of electoral legislation. However, hopes for further progress have thus far been frustrated. Positive steps have been taken in only a few areas. The lack of progress in democratisation is of particular concern in view of the upcoming parliamentary elections.

2. As its overall conclusion in this Progress Report, the Mission identifies a general stagnation in the process of Croatia's fulfilment of its international commitments. There has been no significant progress in eliminating discriminatory legislation. Election legislation has not been touched. Essential elements of the Return Programme – above all, the full and effective functioning of the Government Commission on Return – have still not been implemented. In spite of numerous recommendations from the Mission and the Council of Europe, the newly amended television law does not meet the principles of public broadcasting, nor has improvement been noted in television news programmes. Conditions for the independent press have deteriorated. Furthermore, no effective efforts have been made to correct the flaws in the administration of justice. There has been no progress in improving respect for human rights, the rights of minorities and the rule of law. The Government's co-operation with international representatives on these key issues has been uneven.

3. At the same time, the Government has taken positive steps. A non-discriminatory Reconstruction Programme has been adopted. The Housing Commissions foreseen in the Return Programme have been established in all relevant municipalities. Co-operation and consultation on return with parts of central and local administration have improved. Procedures for actual return are functioning. In the Danube Region, a satisfactory solution has been achieved for the status and financing of the Joint Council of Municipalities. The performance of local police in the Region has been satisfactory and good co-operation has been established with the Mission's Police Monitoring Group.

4. In this overall context, necessary progress depends also on more active engagement by the international community. The Mission recommends that - apart from Croatia's further integration into European and Euro-Atlantic institutions, based on clear conditions - the international

¹ This is the third report of the Mission to Croatia on Croatia's progress in meeting international commitment. The two previous reports were issued on 20 May 1998 and 8 September 1998.

community should substantially strengthen its support for normalisation and democratisation. (See Looking Ahead)

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Post-conflict Normalisation

I. The Return Process²

5. Over half a million people were forced to leave their homes during the course of the armed conflict in Croatia, some relocating elsewhere in Croatia and others seeking refuge or asylum abroad. Already in 1995 both the Dayton and Erdut Agreements placed the highest priority on returning those people to their homes. Problems remain primarily in the return of Croatian Serbs. The number of Serbs who have left Croatia over the three years since Dayton and Erdut, is almost as

²With the intention of fulfilling its international obligations the Government has agreed certain programmes and procedures with the international community thus guaranteeing the right to return of both displaced persons and refugees. The Joint Working Group is a body comprising representatives of the Government of Croatia, the United Nations Transitional Administration for Eastern Slavonia (UNTAES) and the United Nations High Commissioner for Refugees (UNHCR). It adopted the Operational Agreement on Return in April 1997. It was set up to oversee the return of displaced persons to and from the Danube Region. In April 1998, the Government issued the Procedures for Return of Persons who have left the Republic of Croatia and in May 1998, the Mandatory Instructions for implementation of these procedures. These two documents put into place mechanisms which guaranteed the physical return of refugees from countries of asylum. However, they did not address the issue of restitution of property and other related matters ensuring the sustainability of the return process. Thus the Government, with considerable assistance from the international community, developed the Programme for Return and Accommodation of Displaced Persons, Refugees and Resettled Persons (Return Programme) in June 1998, which incorporated the above-mentioned Procedures for Return and Mandatory Instructions. This Programme was adopted by the Parliament in late June 1998. It allowed for participation, monitoring and suggestions for improved implementation of the Return Programme by the international community through the establishment of an oversight body (the Return Co-ordination Committee) which would itself receive reports from the implementation body (the Government Commission on Return). Implementation of the Programme commenced in August 1998 and was noted in the Mission's Progress Report of September 1998 as a positive development.

large as the number who have returned. Those returning often come back to their pre-war towns or villages but are often unable to gain access to their homes.

6. The Government has now established formal procedures and structures for obtaining personal documentation, restitution of property and provision of reconstruction assistance. Further, the efforts of UNHCR and its partners to facilitate the return process are being well supported by relevant Government institutions. However, significant and sustainable return and reintegration of the Serb minority has yet to occur.

7. In response to pressure from the international community to meet its obligations in the area of return, Croatia introduced a number of measures aimed at the return of refugees and displaced persons to their pre-war homes. The most recent and most comprehensive of these initiatives was the **Programme for Return and Accommodation of Displaced Persons**, **Refugees and Resettled Persons** (henceforth: the Return Programme). The Programme incorporates many of the previous rules, instructions and mechanisms governing return and addressing as well as additional concerns such as the restitution of property. The Return Programme began to operate in late August 1998. After four months it must be judged to have fallen short of reasonable expectations.

8. Displaced persons and refugees in the Croatian context can be divided into three main groups³: Croatian Croats, Croatian Serbs⁴ and Croats from Bosnia and Herzegovina (henceforth: BiH) and the Federal Republic of Yugoslavia (henceforth: FRY). These groups found themselves in very different situations during the armed conflict. Likewise, their respective situations with regard to return vary:

- According to Government statistics, 200,000 **Croatian Croats** were internally displaced at the end of 1995 as a result of the war.⁵ Among these, 84,000 were displaced from the Danube Region. Return to the Region began in earnest in spring 1998. By October 1998, according to the Government, approximately 25,000 people had returned to the Region from other parts of Croatia.⁶ The great majority of Croats displaced from outside areas outside the Region have returned to their homes; conversely, the great majority of Croats displaced from the Region have not returned.
- By the end of 1995, 225,000 **Croats from BiH and FRY** were registered as refugees in Croatia. Currently 29,000 remain registered, and 140,000 have received Croatian citizenship. The rest have returned to BiH, or departed for third countries.⁷
- Out of a Government estimated figure of 280,000⁸ **Croatian Serbs** who were internally displaced or became refugees between 1991 and 1995, approximately 53,000 have returned to their pre-war homes since the Dayton and Erdut Agreements. Half of these people returned from the Danube Region, the other half from FRY and BiH.
- Over the same three-year period, the UNHCR Office in FRY reports that some 47,000 persons mainly **Croatian Serbs** have arrived from Croatia. Of this number, approximately 18,000 had lived in the Danube Region before the war and 29,000 were displaced persons from

³ In addition to the groups discussed there are also approximately 8,400 Bosniak (Bosnian Muslim) refugees in Croatia.

⁴ The terms 'Croatian Croats' and 'Croatian Serbs' refer to citizens or long-term residents of Croatia.

⁵ These statistics are prepared by the Office for Displaced Persons and Refugees (ODPR).

⁶ The OSCE field reports indicate that the actual number of permanent returnees appears to be substantially lower.

⁷ As Bosnian Croats normally organise their own returns to BiH, reliable statistics are not available.

⁸ This number is ODPR's estimate. Other sources, such as the Serb Democratic Forum (a non-governmental organisation of the Serb community in Croatia) estimate the number to be 350,000 or higher. In earlier Progress Reports, the Mission also referred to higher figures.

other parts of Croatia who had sought temporary refuge in the Region following operations 'Flash' and 'Storm' in 1995.

9. It is evident that **departures of Croatian Serbs** to the FRY continue. The Croatian Border Police records show that over 600 families departed with their household effects between July and October 1998. Conservatively assuming an average of three persons per family, the total number of persons departing may be estimated at approximately 2,000.⁹

10. **Return from BiH and FRY**: According to the most recent figures¹⁰ over 17,000 applications for return from countries of asylum have been submitted to the Government's Office for Displaced Persons and Refugees (henceforth: ODPR) under the Return Programme. Of these, over 11,000 have been processed at an average rate of 550 per week. The Government is to be commended for ensuring that applications are processed in a timely manner. However, of these 11,000, only approximately 4,000 persons are registered as having actually returned, leaving about 7,000 who have not. Of the latter, some 4,000 applications for return have been suspended, pending clarification of certain factual matters. This leaves around 3,000 whose applications have been processed, but who have not yet returned to the country or who may have done so without registering their return. At the same time, according to ODPR and UNHCR figures, a further 3000 people have returned self-assisted outside organised channels¹¹

11. Information to Potential Returnees: The Government has recognised the importance of enabling those wishing to return to make an 'informed decision' on the basis of factually correct information. For example, under the Return Programme, ODPR collects all pertinent information on an application prior to issuing a clearance for return and conveys this information to the individuals concerned¹² The Mission welcomes the Government's recent initiative to provide more complete information, including a photograph of the property, to potential returnees about the condition of their property as well as information about the municipality of return. However, it is too early to assess the impact of this initiative on the return process.

12. Provision of Assistance to Returnees: In the interest of ensuring sustainable return, all returnees require both immediate and longer-term support from the Government.¹³ A key obligation here is the provision of reconstruction assistance. In this regard, a positive development since the previous Progress Report is the Government's adoption of a Reconstruction Programme and Mandatory Instructions for its non-discriminatory implementation. This Programme expands the geographical scope of reconstruction assistance and relaxes the eligibility requirements stipulated in the 1996 Law on Reconstruction. However, the Government Commission on Return has not fulfilled its task under the Mandatory Instructions to conduct a nation-wide information campaign on the Programme. Consequently, both administrative institutions and potential beneficiaries within and outside Croatia remain uninformed, jeopardising the implementation of the Reconstruction Programme as the deadline for applications expires in March 1999. Reports by international observers indicate that very few Croatian Serbs have received reconstruction assistance under existing legislation.

⁹ In comparison, the number of persons returning with ODPR/UNHCR convoys from FRY to Croatia between 23 July and 10 November 1998 is recorded as just over 1,400.

¹⁰ Source: UNHCR Croatia, 10 January 1999.

¹¹ These persons are primarily those who possess documents issued in the Danube Region during the UNTAES period or who have been able to receive a travel letter (Putni List) from the relevant Croatian Embassy or Consulate abroad.

¹² The following information may be provided: (i) that their homes are occupied and no alternative accommodation is available; (ii) that their homes have been destroyed and no alternative accommodation is available; (iii) that their records show an outstanding criminal charge which requires further clarification by the Ministry of Justice; (iv) that they are not recorded as Croatian citizens with the Ministry of the Interior.

¹³ Self-assisted returnees face delays in obtaining necessary assistance and support.

13. Sustainability is of crucial importance for return. Poor economic conditions and an atmosphere of insecurity are major factors deterring the return of displaced persons and refugees. Future returns will also depend on the provision of more effective immediate and longer-term assistance to returnees and to the communities in which they live. Furthermore the economic and political situation throughout BiH is a major barrier to return. Above all, the political situation in Republika Srpska virtually prevents the return of Bosnian Croats and Bosniaks.

14. The return process to and within Croatia is further obstructed by the Government not fulfilling its commitments in the following four areas:

i) **Discriminatory Laws:** In the Return Programme adopted on 26 June 1998, the Government committed itself to "within three months propose to the Croatian State Sabor to change the existing laws (...) in a way that all of the different categories to whom this programme refers would be equal in their status as returnees". Moreover, the Government undertook in the Programme "to remove all the obstacles to return, especially by the creation of [a] favourable (...) legal framework for the implementation of the return". The Government did not meet these commitments. Of particular concern are three laws identified by the international community as inherently discriminatory.¹⁴

ii) **Repossession of Property:** The Return Programme established a system for repossession of property. However, this system does not work for the following reasons:

- Lack of clear instructions regulating the interaction between Housing Commissions and the . courts.15
- Uneven implementation of the Return Programme in different parts of the country. In the Danube Region, accelerated court procedures facilitate the repossession of property by Croats through the speedy issuance of eviction notices. Serb occupants cannot challenge these procedures since they are not entitled to protection under law.¹⁶ In other parts of the country, Serb property-owners experience great difficulty in obtaining court decisions to evict Bosnian Croat temporary occupants from their properties.
- Inefficient and ethnically-biased enforcement of court-ordered evictions.

iii) Alternative Accommodation: The Mission is aware of a number of cases in which the competent authorities or courts have confirmed the ownership of a property and annulled the temporary occupant's permission to occupy that property. Where the Housing Commissions take such decisions, the Return Programme mandates that the temporary occupants must be allocated alternative accommodation before being moved out. In the vast majority of cases, the Housing Commissions claim that no such accommodation is available and refer the cases to the Government Commission on Return. The main problems with the provision of alternative accommodation include:

The Government Commission on Return does not function as foreseen in the Return Programme.

¹⁴ The Law on the Status of Displaced Persons and Refugees (1993), the Law on Areas of Special State Concern (1996), and the Law on Reconstruction (1996). The definition of "displaced persons" in the Law gives ground to wide administrative discrepancies and exclusion of persons of Serb ethnicity from this category, thus serving basis for their discrimination.

¹⁵ The Law on Rescission of the Law on Temporary Take-over of Specified Property (1998) stipulates that claims for repossession of property should be processed in the first instance by Housing Commissions. Properties can also be claimed by normal litigation in court. Due to the discriminatory laws still in force, this procedure is highly unreliable for claimants of Serb ethnicity. ¹⁶ The Law on Status of Displaced Persons and Refugees (1993), in conjunction with other laws and procedures, denies access to

legal remedies for some categories of returnees.

- The Government has taken no action to resolve the problem of multiple and other illegal occupancy as foreseen in the Return Programme. Some displaced persons or refugees occupy more than one property, sometimes for purposes other than accommodation. Indeed, in many cases, temporary occupants have been authorised, in contravention of relevant laws and the Return Programme, to use more than one property. Thus the availability of alternative accommodation may in fact be greater than is reported by the Housing Commissions.
- Housing Commissions are authorised to control the use of property without adequately assessing or making an inventory of available accommodation.

iv) **Occupancy Rights**: Since the previous Progress Report, no progress has been made in resolving the issue of occupancy rights in socially-owned property. Government officials have stated that the issue has been resolved by abolishing the right. The Mission maintains that an adequate legal solution has not yet been found, and that one must be found.

II. Amnesty, the ICTY and the Establishment of Trust

15. There has been no progress on the issue of **amnesty** since September. Lack of resolution of amnesty cases, as well as lack of information about the number and status of such cases, continues to create uncertainty for potential returnees. The number of people amnestied, as well as the number of persons convicted in absentia for war crimes, remains unclear. On a positive note, a pragmatic procedure has been established within the Return Programme to determine whether a returnee has a criminal record and, if so, to clarify the exact nature of that record. Thus, where the Amnesty law applies so allowing for the closure of court files, this procedure helps to remove uncertainty on the part of potential returnees. However, the Mission is aware of instances where this procedure has delayed return (see footnote 11).

16. There has also been no significant change in the Government's co-operation with the **International Criminal Tribunal for the former Yugoslavia** (ICTY). The Government continues to maintain that ICTY has no jurisdiction regarding operations 'Flash' and 'Storm' in 1995. Moreover, senior state officials have made critical remarks about ICTY. The Mission assesses that such remarks encourage distrust and hostility towards the Tribunal among the Croatian public.¹⁷

17. The **Government's Programme on Establishment of Trust** was adopted on 2 October 1997.¹⁸ Under this Programme, the Government committed itself to pursue the establishment of trust between all citizens and the State administration, to foster a climate of tolerance and security, and to create conditions for the normalisation of life in the war-affected regions in the context of return of refugees and displaced persons. In spite of the positive endeavours of certain officials, the Mission has not noted a coherent effort by the Government to bring forward the process of trust-establishment.

18. The **structural elements** of this Programme – committees at local and county levels, answerable to a national committee – have either not been established or do not function as expected or required. Experience has shown that the international community's insistence on the formation of Trust Establishment Committees at local and county level has generally led to pro forma establishment of committees which have perceptible effect on the ground. In many areas, these committees do nothing to address effectively the opposition to the return of Serbs, or to

¹⁷ A senior member of the Government on 21 January 1999 characterised ICTY as "a ridiculous farce".

¹⁸ Programme of the Government of the Republic of Croatia on Establishment of Trust, Accelerated Return, and Normalisation of Living Conditions in the War-affected Areas of the Republic of Croatia.

educate public attitudes that are still marked in many parts of the country by suspicion and vengefulness toward the Serb minority in general and returnees in particular.

19. The Mission assesses that the primary **reason for the non-effectiveness** of this Programme is the manifest resistance among officials at all levels to the fulfilment of the Programme's key commitments. Such resistance, and in turn the lack of progress in establishing trust, have a direct impact on Government policy as regards the Return Programme. Feelings of bitterness and resentment against Serbs are publicly stoked by officials in the war-affected areas.¹⁹ Local authorities around the country inevitably take their cues from Government and party officials in Zagreb.²⁰ Remarks by President Tudjman himself have served to deepen the Mission's concern that the authorities may lack the will or desire to fulfil their commitments under the Programme on Establishment of Trust.²¹ Such statements implicitly authorise intolerant outbursts and obstructive attitudes that the Mission has encountered among officials at lower levels.²² The more constructive attitudes toward trust-establishment demonstrated by individual officials are unrepresentative.

III. Integration of the Danube Region

21.One year after the completion of the UNTAES mandate on 15 January 1998, **the integration of infrastructure and institutions** in the Danube Region has been successful. However, the social and political atmosphere in the Region is not yet conducive to the integration of its Serb residents. The Mission's September 1998 Progress Report stated that: "the integration of citizens of Serb nationality both as individuals and as a community has not yet succeeded – as evinced by the continuing departure of such citizens for the FRY and other countries." Events since then have only confirmed the accuracy of this assessment. There has been no significant progress.

22.The OSCE Police Monitoring Group reports a decrease in the number of housing-related disputes²³ compared to the final phase of United Nations police monitoring.²⁴ This decrease is related to the fact that the number of Croat-owned properties occupied by Serb displaced persons has diminished to a very low level. While the Serb population has continued to decrease, the number of ethnically-related incidents has risen. This demonstrates that trust has not been established.

23.During this reporting period the Government has met its commitment concerning the **Joint Council of Municipalities (JCM)** by providing it with legal status and an agreement for co-financing. This has provided the JCM with the opportunity to develop into an organisation representing the interests of the local Serb community contributing to integration and reconciliation, as foreseen in the UNTAES Agreement.²⁵ It is expected that the Government will fulfil its financial

¹⁹ In the village of Skabrnje near Zadar, 18 November 1998 was marked by the reburial of 49 persons who had been massacred on that date in 1991 by Yugoslav Army and Serb paramilitary forces. Local dignitaries and Government representatives attended the ceremony. The Prefect of Zadar County told those in attendance that "all of you have to fight against the return of Serbs, as their children and grandchildren will slaughter you in exactly the same way as they slaughtered your fathers, mothers and brothers."

²⁰ On the same occasion in Skabrnje, President Tudjman's Adviser for the Liberated Areas, the then spokesman of the HDZ party (now the party's General Secretary), stated that Croatia was criticised by the international community "because we are too slow to rebuild the houses of the terrorists who attacked us. But I want to tell them: we are proud to be slow in bringing back these people!"

²¹ Speaking before high-ranking military officers in December 1998, the President, in a clear allusion to the massive dislocation of Serbs from their homes in Croatia in 1995, concluded: "We have resolved the Serb question in Croatia". He added that "this policy of ours, agreeing for a part of Serbs to return, is a policy in order to neutralise these [international] attacks on Croatia".

²² For example, the Head of a Housing Commission in northern Dalmatia told the Mission that there was "no hurry" to solve property disputes involving Serb returnees, who could "stay in their homeland [*sic*: alluding to Serbia or FRY] for a little while longer."

²³ The term is normally used for a conflict between the owner of a property and its temporary occupant.

²⁴ The UN Police Support Group ended its mandate on 15 October 1998.

²⁵ Agreement of 23 May 1997, Government of Croatia letter of Intent, 13 January 1997.

commitments to the JCM and that in co-operation with the authorities, the JCM will take an active role in the integration of the Serb community into Croatian society. Such an active role is urgently needed, as many Serbs have resigned themselves to being victims of social and economic discrimination. This makes the process of trust-establishment and communal integration more difficult.

24.The Government's commitment to establish a Danube Region Sub-commission of the National Commission for **Missing and Detained Persons** has not been met.²⁶ The purpose of this commitment is to ensure a transparent and even-handed approach to the fate of missing persons regardless of ethnicity.

25. The **economic situation** in the Region has not improved. This continues to present serious impediments to return and integration. Unemployment remains at 65 to 95 per cent. In these conditions of economic crisis and scarce employment, Serbs are at a particular disadvantage since almost all significant employers favour Croat returnees.

26. Concerning the **integration of employees in the public sector**, a number of agreements were concluded between the Government and UNTAES in 1997. These agreements were intended both to accomplish institutional reintegration and to secure effective employment protection for employees in a wide range of public enterprises and institutions following the full reintegration of the Region. These agreements include time limited commitments. The success of the integration of the Region depends also on the solutions found for problems arising after the elapse of such commitments. A positive development is to be noted in the health sector. The Ministry of Health has made an effort to allow Serb employees to return to their pre-war places of work, mostly outside the Region, on the expiry of their temporary contracts on 31 October 1998.

OSCE Police Monitoring Group in the Danube Region

27.The **Mission's Police Monitoring Group** has been monitoring the performance of the local police force since 16 October 1998 in accordance with OSCE Permanent Council Decision 239 (25 June 1998). Good co-operation with the Ministry of Interior allowed for a seamless transition of the police monitoring function from the United Nations to the OSCE, and this continues. Equally commendable is the co-operation between police monitors and local police in the field.

28. The **number of local police** currently employed in the Danube Region is approximately 1,450. The current ethnic composition is in accordance with the agreement made between the Government and UNTAES: 50 per cent Croats, 45 per cent Serbs and 5 per cent other ethnicities. The current police to population ratio of 1:110 in the Danube Region is high when compared to the European average of 1:400.

29.When responding to routine incidents, the local **uniformed police** generally perform their duties in a satisfactory manner when measured against international standards. Crime statistics in the Region are low in comparison to other areas of Croatia. Public feedback generally indicates that local police response is good. However, uniformed police lack confidence in dealing with more serious incidents, especially those that are ethnically-related. In many cases they do not use their own initiative and look for direction from their superiors, even in dealing with minor offences. Police monitors have noted that police officers sometimes do not adequately prepare reports for the

²⁶ Government of Croatia and UNTAES Agreement of 12 January 1998.

public prosecutor. As a result, the public prosecutor is not always able to make an informed decision as to whether a criminal charge should be initiated.

30.The local, **non-uniformed criminal police** investigators are tasked with follow-up investigations into incidents reported to the uniformed police. Some investigators lack basic investigative skills or are simply unwilling to use their skills when investigating ethnically-related crimes.²⁷ There are indications that investigators use search warrants in an unprofessional and discriminatory manner.²⁸ Despite clear evidence that the overwhelming majority of victims of ethnically related incidents are Serbs, most search warrants are executed on the homes of Serbs, or on the homes of Croats who remained in the Region during the war. This issue is currently being followed up by the Mission.

31.Regarding **housing-related disputes**, the main function of the local police is to keep the peace and refer the parties to the appropriate agencies. If a crime has been committed, the police forward a report to the public prosecutor who determines whether charges should be filed. The police are often unable to take action because they are constrained by law, with the result that they are subject to unfair criticism by the public, which tends to view police inaction as reflecting bias. Nevertheless, the police are liable to become involved in housing disputes due to the ineffectiveness of the Housing Commissions.

Human Rights and Democratisation

IV. Human Rights, Rights of Minorities and the Rule of Law

32.By ratifying Council of Europe and United Nations **human rights instruments**,²⁹ Croatia undertook to bring its domestic legislation into conformity with those instruments. There has been no progress since September 1998 in this respect.

33.The Government has not proposed **amendments to the Constitution** to bring its provisions into conformity with applicable international standards, particularly those that currently limit the enjoyment of certain rights to citizens rather than to individuals.³⁰

34. The previous Progress Reports noted ongoing problems regarding the **1991 Constitutional Law** on Human Rights and Freedoms and on Rights of Ethnic and National Communities or Minorities

²⁷ This was recently highlighted by numerous cases in two villages on the outskirts of Vukovar, where an obvious trend of systematic intimidation either was not detected or was intentionally overlooked by the investigators. When he Mission brought these cases to the attention of the Ministry of Interior, they were re-investigated in a more professional manner.

²⁸ For example, in one case investigators executed a search warrant at the home of a Serb victim of an ethnically-related incident using the pretext that they had received information that the victim was arming herself for retaliation.

²⁹ In previous Progress Reports, the Mission noted as positive Croatia's formal adherence to many important human rights instruments. However, the Government has not yet addressed the concerns expressed in those Progress Reports about the possible negative effects of reservations lodged under the European Convention on Human Rights (ECHR) and the European Charter on Regional and Minority Languages.

 $^{^{30}}$ Constitutional provisions that should be amended include Articles 27, 42 and 46. Other provisions in the Constitution that do not meet the standards set by international instruments include Article 32(3) which permits restrictions on the rights of citizens to enter the country (ECHR Protocol 4, Article 3(2)).

in the Republic of Croatia.³¹ There has been no progress in alleviating these problems and no timetable for further action has been set.³²

35. Upon Croatia's entry to the Council of Europe in 1996, the Government agreed to promptly revise the **Law on Local Government and Self-government**, in consultation with Council of Europe experts. As recently as November 1998, the Government confirmed that the Law does not conform to the relevant international standards. Work in this area is at a standstill.

36.Although Croatia is a party to the **1951 Convention Relating to the Status of Refugees** and the 1967 protocol thereto, no domestic legislation has been introduced to implement the principles contained in these instruments.³³ This gap has led to ethnic Albanian asylum-seekers from Kosovo being treated inconsistently with the applicable international standards.³⁴

37. There has been no progress concerning respect for **rule of law and administration of justice**. In spite of long-term and intensive engagement by international organisations and the advice and assistance of international experts, the Government has not yet addressed many key issues concerning the Constitutional Court, the judiciary, and the High Council of Justice.

38. The Government has shown a lack of respect for the rule of law in its response to decisions of **the Constitutional Court** with which it disagrees. For example Government officials have publicly discussed the possibility of dismissing certain Justices, of limiting the jurisdiction of the Court and of cutting the Court's funding. The Government has also not implemented the Court's 1995 decision regarding the appointment of Judges to the Supreme Court. Nor has it implemented the Court's decisions that administrative bodies must provide reasons for their decisions, including those rejecting citizenship claims.

39. The independence and impartiality of **the judiciary** continue to be undermined in the following ways:

• The independence and impartiality of the judiciary are obstructed by un-addressed defects in the structure and operation of the High Council of Justice.³⁵ Under the current law, members of the High Council of Justice are appointed and dismissed by the Parliament, on grounds common to other European countries. The 1998 draft amendment to the Law on the High Council of Justice would introduce political grounds for dismissal of Council members, which would open the process to abuse. The High Council of Justice is entirely dependent on the Ministry of Justice for its budget, which could compromise its independence and impartiality as well as its day-to-day operations.

³¹ The passage of such a law was a precondition for Croatia's international recognition as an independent state in January 1992. In late September 1995, shortly after the Government regained control of most of the formerly Serb-controlled territories, Parliament suspended many provisions of this Law. The suspended provisions provided in particular for the protection of political representation and social and cultural rights of minorities, applying above all to the Serb minority.

³² On entry into the Council of Europe in 1996, the Government committed itself to revise the suspended provisions of this Law. In late 1996, the European Commission for Democracy through Law of the Council of Europe (the Venice Commission) appointed several international experts to participate in the work of a Croatian Commission set up earlier that year to revise the suspended provisions of the law. In spite of a May 1997 decision of the Croatian Commission to produce a draft law on the Revision of the Constitutional Law, no such draft has yet been produced.

³³ At the request of UNHCR, a working group consisting of international and government representatives has been formed to propose domestic legislation in this area. As the group met for the first time in December 1998, it is too early to assess this initiative. ³⁴ Although some of these individuals have been permitted to stay in the country and have been housed in collective centres, the Government has also imposed criminal fines on them for "illegal entry" and has issued deportation orders against them, although these orders have not been executed. UNHCR is negotiating with the Government for the establishment of formal protective mechanisms for Kosovo asylum-seekers. It has also requested the Government to refrain from penalising asylum-seekers since this is not in conformity with international practise.

³⁵ This body is charged with the appointment, discipline and dismissal of judges and prosecutors.

- Laws have been enacted or amended during particular judicial proceedings for the purpose of affecting their outcome.³⁶
- The enforcement of judicial decisions at all levels is not being ensured.³⁷
- Individuals remain inadequately informed that cases in which they have an interest have been initiated. When those individuals cannot be located, proceedings continue to be conducted and decisions taken *in absentia*. Often no effective appeal exists against such decisions.
- No steps have been taken to ensure the availability of full judicial review of decisions taken by administrative authorities.³⁸ Such a review would give an individual the right to appeal to a court, not only on the procedural aspects of an administrative decision, but also on the substance of that decision.

40.Other problems exist with the operation of **the Courts**: There is a high number of judicial vacancies in part because the High Council of Justice is not performing its mandated duties in regard to the appointment of judges. Restrictive access to court³⁹ and to effective rights of appeal, as well as lengthy administrative and judicial proceedings, continue to be evident throughout the country.⁴⁰ The massive backlog of cases mentioned in the previous Progress Reports remains. Rules that accord priority to urgent cases remain unpublicised. The Government continues to close hearings to certain members of the public, in contravention of Article 117 of the Constitution and relevant international obligations.

41.In order to meet its obligations under international human rights instruments, Croatia is obliged to eliminate all **discriminatory legislation** (see also para 11). During this reporting period, there has been no progress in removing discriminatory provisions from certain laws. As an example, the Law on Privatisation limits to certain groups the possibility to purchase shares in newly privatised companies.⁴¹ Similarly the Law on the Employment of Foreigners and Instructions for the Issuance of Work Permits provides for issuance of such permits on the basis of ethnicity.

³⁶ For example, the amendment of the Law on Obligatory Relations in 1996 rendered moot pending court cases and nullified the effects of previous judgements awarding compensation to property owners for damage caused by terrorist activity. The amendments also had a discriminatory effect against those sustaining property damage in formerly Serb-controlled areas.

³⁷ i) For example, an individual in Vinkovci was granted an eviction order for restitution of his property in early 1994, which to date has not been implemented. ii)A private property owner in Benkovac was granted an eviction order in autumn 1997, which to date has not been implemented. In the meantime, a new illegal occupant moved into his house. The owner may therefore have to start fresh proceedings to have the illegal occupant evicted. iii) In 1994, an occupancy right holder in Split received a court decision confirming his occupancy right and an eviction order against the person illegally occupying the flat. He has made eight attempts to have the order enforced, at a cost of approximately 500 DM each time. The most recent attempt was in late 1998, at which time a new illegal occupant was found in the flat.

³⁸ The availability of such judicial review is a key aspect of fair proceedings as required under Article 6 of the European Convention on Human Rights.

³⁹ Examples of actions that constitute denial of access to court include: the imposition of high court fees and the discriminatory assessment of fees for those wishing to pursue civil claims, refusals by authorities at detention facilities to permit detainees to contact lawyers with a view to pursuing civil claims; and refusals to permit individuals to enter Croatia where courts regularly impose a requirement that an individual appear in person before an administrative or judicial body in order to pursue a civil claim.

⁴⁰ i)For example in 1994, a family in Zadar lodged an appeal against a decision terminating their occupancy rights. The appeal has since been pending before the Zadar County court. ii)In 1993, a family from Pozega-Slavonia County were deprived of their occupancy right in an *in absentia* proceeding. Upon their return in autumn 1995, they filed a request for a re-trial. To date, they have received no response to this request.

⁴¹ The discriminatory character of this Law is exacerbated by the fact that, in general, only citizens may purchase property, including shares. Those individuals who have been prevented from claiming Croatian citizenship during their residency in occupied territory and/or who have been prevented from verifying their citizenship, must accrue five years of residence in order to apply for naturalisation. During that five-year time period, these individuals will not be able to acquire shares in privatised companies. As most privatisation is scheduled for completion by 2002, these individuals will be excluded from this process and will thus be denied the right to participate in the economic life of the country on an equal basis.

42. There has been no progress in the implementation of the **Convalidation Law**⁴² since the previous Progress Report, thus hampering the integration of individuals into the Croatian pension and social welfare system. This problem is particularly acute in the Danube Region. In September 1998, after a five-month delay, the Minister of Labour and Social Welfare issued instructions to pension and social welfare offices, the purpose of which was to facilitate the convalidation process. However, the late issuance of these instructions has not yet improved the situation, due to the backlog of applications and to the complexity of the formal procedures. A matter of particular concern is that the deadline for convalidation of pensions and other social welfare documents expires in April 1999.

43. The 1991 Law on Citizenship continues to be inequitably applied:⁴³

- The Law requires only five years of continuous residence <u>at any time</u> prior to application for citizenship. Nevertheless, the Government has rejected a number of applications for citizenship from long-term residents, on the grounds that the applicants were unable to prove they had been resident for the preceding five years. This practice does not meet applicable international standards.⁴⁴
- Some applications for citizenship from long-term residents have been rejected on the grounds that criminal charges might be lodged or were pending against the individual concerned. This practice contravenes the right to be presumed innocent.⁴⁵
- In 1993, the Constitutional Court held that Government authorities and judicial bodies must provide reasons for rejecting applications for citizenship. This decision has not always been respected.⁴⁶
- Individuals unable to verify their citizenship or to claim their entitlement to citizenship on *force majeure* grounds are not provided with an adequate opportunity to do so.

V. Freedom of the Media

44.Since achieving independence, Croatia has committed itself to establish and uphold democratic standards regarding the freedom of media, information and expression, and also regarding public service broadcasting.⁴⁷ In view of these commitments, the Government has also undertaken to introduce specific reforms.⁴⁸

⁴² The purpose of this Law, and of three related Government decrees of April 1998, is to validate documents issued by the authorities in the formerly Serb-controlled areas. The convalidation of documents is of crucial importance, as it is the only means by which many people can obtain social benefits that form their primary or sole source of income.

⁴³ Article 12(2) of the Law on Administrative Fees imposes a high administrative fee for processing applications for naturalisation of individuals who are not ethnic Croats.

⁴⁴ Article 32 of the Convention Relating to the Status of Stateless Persons states: "The Contracting States shall as far as possible facilitate the assimilation and naturalisation of stateless persons. They shall in particular make every effort to expedite naturalisation proceedings and to reduce as far as possible the charges and costs of such proceedings."

⁴⁵ Article 29 of the Constitution and Article 6(2) of ECHR and possibly Article 7 ECHR (depending on the timing of the citizenship application).

⁴⁶ i)A Muslim individual living in Dubrovnik has received three rejections of applications for citizenship since 1993. No reasons for these decisions were provided. All the decisions were returned to the Ministry of Interior by the Administrative Court instructing the Ministry to provide reasons. The individual has been waiting for a fourth decision since spring 1997. ii)A Serb individual living in Osijek-Baranja county, resident in Croatia for twenty years, applied for citizenship in 1996. The Ministry of Interior rejected his application for citizenship in early 1997 giving no reasons. The individual appealed to the Administrative Court in mid 1997 and applied for an expedited case determination in mid 1998. He is still waiting for his case to be heard.

⁴⁷ Reference, *inter alia*, the ECHR and the International Covenant on Civil and Political Rights. The Dayton Peace Agreement (1995) also contains relevant provisions that Croatia, as a signatory and guarantor of the Agreement, has accepted as commitments.

 $^{^{48}}$ Reference paragraph 9/xvi and 9/xix of Opinion no. 195 (1996) of the Parliamentary Assembly of the Council of Europe: "to implement the recommendations of Council of Europe experts on legislation relating to the media" and "to comply, well before the

45.The Mission's previous Progress Reports showed that, by September 1998, a great deal still remained to be done in pursuit of these standards and reforms. In order to identify the principal problems in this respect, and recommend feasible solutions, the Mission developed a paper jointly with representatives of the European Union and the United States of America. The paper is attached as Annex I.⁴⁹

46.None of the problems defined in this document has yet been resolved. The sole significant initiative taken in this respect was the adoption by Parliament, in October 1998, of **amendments to the law** on the state broadcaster, Croatian Radio-Television (henceforth: HRT). Together with experts from the Council of Europe, the Mission had recommended a number of legal changes which would have greatly assisted the Government to achieve its stated objective of transforming HRT into a public service broadcaster. Instead, Parliament adopted amendments proposed by the governing HDZ party, which ignored most of these recommendations.⁵⁰ Consequently, Croatia's obligations to implement the recommendations of the Council of Europe "on legislation relating to the media", and also its commitment to ensure the editorial independence and institutional autonomy of public service broadcasting, have not been met. As a result, Croatian Television (henceforth: HTV), the most influential medium in the country, remains subject to political control by the ruling party. Surveys indicate that HTV is the main source of information for 75 to 90 per cent of the population, and that over half the adult population regularly watches the 19.30 news programme.

47.Despite the reappearance on screen of several HTV journalists who had previously been withdrawn from public view and the introduction of stylistic changes to the news bulletins, this political control has been amply confirmed during this reporting period by analysis of the HTV news programmes.⁵¹ For example, information about opposition parties, the ICTY and relations with BiH is often misleadingly presented, distorted by selection and by prejudicial terminology or comment.

48.Overall, the Mission believes that **HRT's** compliance with its own **legal obligation** "to inform the public truthfully, objectively and promptly about political, economic (...) and other events"⁵² is seriously in doubt. The Mission also notes two aspects of news programming that are of particular relevance to its work. Firstly, HTV news coverage of return-related issues is minimal, and noteworthy for the almost complete absence of returnees from the screen. Secondly, despite the Government's commitment under its Programme on Establishment of Trust (see Chapter II), issues of reconciliation and the establishment of trust scarcely feature on HTV.⁵³ Moreover, hate speech remains a problem in HTV programmes.

49.A further aspect of HTV's news production that continued to cause international concern during this reporting period was the coverage during the campaign before **the September 1998 elections in Bosnia and Herzegovina.** This coverage was carried directly into the neighbouring state by means of transmission equipment belonging to RTVBH (the state broadcaster in BiH) that had been

next elections, with the recommendations made by the election observers of the Council of Europe and other international organisations (...) with regard to (...) the need to increase the independence of the state broadcasting corporation (HRT)".

⁴⁹ The paper was presented to the Government on 19 October 1998. The promised response has not yet been received.

⁵⁰ The principle exception concerns the proportion of members of Parliament on the HRT Council. Although the amended Law reduces this proportion from 15 out of 19 to 10 out of 23 councillors, Parliament will continue to dominate the HRT Council, the Supervisory Board and HRT senior appointments.

⁵¹ The Mission commissioned two monitoring exercises from a private company in Croatia to analyse the HTV news programming over periods in August, September and December 1998.

⁵² HRT Law, Article 6.

⁵³For example, the December monitoring of HTV showed that the return of refugees and displaced persons received just 1.6 per cent of news time, while reconciliation and the establishment of trust received 0.2 per cent.

seized during the war or installed subsequently on the territory of BiH. The Media Experts Commission of the OSCE Mission to Bosnia and Herzegovina ruled in August 1998 that, by favouring the HDZ-BH party, the campaign coverage violated the "equitable access" provision of the Rules and Regulations drawn up by the Provisional Election Commission. HRT complied with its obligations during the last four days of the campaign.⁵⁴

50. The development of **private broadcasting** continues to be stunted by a combination of legal, political and economic circumstances. There has been no progress on this issue during this reporting period. Indeed, the decision by Parliament in October 1998 not to privatise Croatia's third television channel has removed the possibility that Croatia will have nation-wide independent television in the near future. Likewise discouraging was the closure during September 1998 of Croatia's only significant private television news programme (Mreza) due to financial difficulties.

51.Regarding the **printed media**, certain problems have become more acute. Following public statements by a former senior state official, the Ministry of Interior admitted to conducting surveillance of journalists. A daily newspaper came under Government control in November 1998, when the 'State Agency for Insurance of Savings and Financial Restoration of Banks' acquired control of *Slobodna Dalmacija*. In January 1999, the Tisak company approached the brink of financial collapse. As Tisak reportedly controls some three-quarters of the distribution market, the company's crisis jeopardises the existence of all but the largest publishing groups. Two independent weekly newspapers, *Nacional* and *Feral Tribune*, have already announced that they might have to suspend publication as a result of Tisak's non-payment of sales revenue. It now appears that Tisak will pass into the control of banks that are themselves state-controlled. In a situation where Croatia's biggest newspaper-printing house is controlled by the Government, this prospect gives ground for concern. In this context, the Mission also notes that nothing has been done to clarify the ownership status of *Vecernji list*, the daily newspaper with the highest circulation. The editorial policy of this newspaper, like that of the daily *Vjesnik*, continues to reflect the priorities of the ruling party.

VI. Elections

52. There has been no progress concerning the reform of **electoral legislation**. Representatives of the governing party and the major opposition parties are currently holding consultations regarding reform of the electoral law. In order to assist the Government in meeting its international commitments, the Mission presented it with a non-paper on electoral reform in October 1998.55 The non-paper is based on the conclusions of OSCE Office of Democratic Institutions and Human Rights monitoring of the 1995 and 1997 elections (describing the latter elections as "free but not fair"), in addition to Council of Europe requirements for legislative reform. Electoral law reforms are needed for Croatia to comply with the principles laid down in the OSCE Copenhagen Document (Articles 7 and 8) and other international standards/commitments. The relevance to the electoral process of other issues considered in this report is evident.

⁵⁴ However, during the main news programme on 14 September, immediately following the elections, HTV broadcast an apology for having, under international pressure, exposed viewers to "the content of certain [party-political] spots, *which in fact reflected the political picture in Bosnia and Herzegovina and not in any way whatsoever the viewpoint of Croatia or HRT.*" (Emphasis added.) ⁵⁵ The non-paper was developed in co-operation with OSCE/ODIHR and the Council of Europe, and was contained in the previous Progress Report of 8 September 1998, paragraphs 51 to 69, pp. 11-14.

Looking Ahead

53. Croatia has reached a crucial and delicate stage in the normalisation process. The country is a key actor in a region marked by increasing tension. There is a clear connection between Croatia's internal democratisation and its contribution to regional stability. The current stagnation in the fulfilment of international commitments should be of major concern. Apart from its domestic consequences, it also has the potential to exacerbate tension between Croatia and the international community. The Mission therefore recommends a more active international engagement, involving intensified dialogue and increased material support.

54. Accordingly, the Mission suggests the following approach. Apart from continued dialogue on further integration into European and Euro-Atlantic institutions, the international community should offer to increase substantially its direct support, through material contributions and expertise, for normalisation and democratisation. Such support should not be linked to political discussions on further integration, nor should it be provided in ways that might be open to abuse.

55. The Mission recommends enhanced support in the following four areas:

- Return (with the emphasis on supporting immediate humanitarian needs as articulated by the UN Inter-Agency Consolidated Appeal, and on assistance for return-related reconstruction)
- Demining
- Civil society (non governmental organisations, media, education etc)
- Rule of law and the administration of justice.

56 . Regarding the fulfilment of international commitments, the Mission recommends the following priorities for action by the Government:

- Return: The full and effective functioning of the Government Commission on Return
- Reconstruction: Non-discriminatory implementation of the Reconstruction Programme, in particular the immediate provision of information on the Programme to all concerned
- Elections: Reform of electoral legislation
- Law: Elimination of discriminatory legislation
- Media: removal of political influence from HTV news, reform of the Telecommunications Law in line with Council of Europe recommendations

Annex I

MEDIA IN CROATIA

INTRODUCTION

There can be no democracy without free and independent media. The ruling party currently controls the only electronic media at state level and many at the local level. The broadcasting of biased and selective news and current affairs programmes has particularly strong implications, as the state-run TV is the main source of information for most people (74 per cent, according to a recent independent survey). Private broadcasters face impediments in obtaining and retaining licences for concessions. Printed media, particularly those critical of the ruling party, are impeded by problems with the collection of sales revenues and intimidated by means of defamation lawsuits. These problems are exacerbated by the strong political influence exerted by the ruling party over the judiciary. The lack of pluralist electronic media and the obstacles confronting printed media undermine the fairness of Croatian elections, thus jeopardising the country's progress towards democracy and further integration into the Euro-Atlantic community. The following is a list of some of the most visible flaws that affect Croatian media, along with specific recommendations based on fundamental principles embodied in Council of Europe and OSCE documents.

ELECTRONIC MEDIA

Problem:

The bill of amendments presented by the HDZ parliamentary group to reform HRT does not address the key issues involved in transforming HRT into a public service broadcaster. Unless these legal amendments are further revised, the ruling party will retain the ability to control HRT's programming.

Recommendations:

- The HRT Law should in line with the March 1998 "Recommendations" of the Council of Europe experts ensure that:
- (a) parliamentary representation on the HRT Council corresponds to party representation in the House of Representatives and forms a minority on the Council;
- (b) non-parliamentary delegates on the HRT Council are appointed by their own organisations (as allowed by Art. 12 of the original 1992 law), reflecting the spectrum of cultural, minority and relevant professional groups in society;
- (c) the HRT Council appoints the Managing Director and the Supervisory Board, and determines the subscription fee;
- (d) personnel in positions of management or editorial responsibility are prohibited from holding political party office or being candidates for the same;
- (e) the transmission network of HRT may be privatised.

Problem:

HRT is largely financed by subscription fees that are levied on every television-owner, while at the same time it enjoys unrestricted access to advertising revenue. This situation greatly impedes the development of private broadcasting.

Recommendation:

The Government should limit severely the amount of advertising revenue that HRT can collect.

Problem:

The ruling majority in the House of Representatives controls appointments to the Telecommunications Council which grants private radio and TV concessions. The Telecommunications Council has manipulated the process of granting and revoking concessions. Any station can be taken off the air and may be subsequently fined if the state inspector for telecommunications finds even a minor infringement of regulations. Application fees and licence fees for concessions are excessively high in comparison with other European countries.

Recommendations:

- The Telecommunications Law should be revised, and implemented, so that:
- (a) members of the Telecommunications Council possess the appropriate professional expertise and are appointed in an open and pluralistic manner;
- (b) no member of the Telecommunications Council may act or be involved in decisions where there is a conflict of interest;
- (c) no political group may hold a majority of seats on the Telecommunications Council;
- (d) procedures in granting and revoking radio or TV concessions are transparent, consistent and objective;

- (e) all the Council's decisions are public and accountable;
- (f) effective legal remedies are available to challenge these decisions;
- (g) application fees and licence fees for concessions are equitable.

Problem:

Four years after establishing the legal framework for private broadcasting at state and county levels, Croatia still has no statewide independent TV and many counties have no TV station. The Government has promised to offer a concession for a private, state-wide TV channel later this year. The size of the Croatian market makes the viability of a fourth channel doubtful. *Recommendations:*

- The prime objective of transforming HRT into a public service broadcaster and strengthening the private broadcasting sector would be greatly assisted by privatising the third TV channel under fair and transparent conditions.
- The Telecommunications Council should, without further delay, fulfil the provisions of the Telecommunications Law by opening tenders for TV concessions at county level, including for Zagreb County.
- There should be no prohibition on the formation of broadcast networks.

PRINTED MEDIA

Problem:

Outside Zagreb, distribution is effectively monopolised by two companies – Tisak and Slobodna Dalmacija – with close ties to the ruling party. These companies have withheld some of the sales revenue due to independent newspapers. It has proven impossible to recover such revenue through the courts.

Recommendations:

- Distribution should be opened up to allow different companies to compete on equal terms and on a commercial basis.
- The authorities should ensure that media receive accurate and timely reimbursement from distribution companies.

Problem:

Some media are faced with a large number of defamation lawsuits brought by Government and ruling party officials. This problem is greatly exacerbated by the strong pressure of the ruling party on the judiciary.

Recommendations:

- The Government should refrain from using the defamation legislation, or other means, to intimidate the media and their journalists.
- There is an excessive number of defamation lawsuits and many of these should be abandoned.

Problem:

The ownership status of some media is unclear.

Recommendation:

• The Government should take steps to ensure that complete and accurate information concerning the ownership of media and distribution systems is in the public domain.

ELECTIONS

Problem:

Monitoring by international organisations has concluded that HRT's content during and after election campaigns has been strongly biased in favour of the ruling party. This situation is not compatible with Croatia's international obligations. *Recommendation:*

• Croatia should amend its legislation to include more explicit provisions guaranteeing electoral coverage that is independent and balanced in quantity and neutral in tone.

* * *