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FIFTH EVALUATION ROUND

Preventing corruption and promoting integrity in
central governments (top executive functions) and
law enforcement agencies

COMPLIANCE REPORT

CROATIA



Adopted by GRECO
at its 89th Plenary Meeting (Strasbourg, 29 November-3 December 2021)



Group of States against Corruption
Groupe d'États contre la corruption

COUNCIL OF EUROPE



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I. INTRODUCTION

1. GRECO's Fifth Evaluation Round deals with "Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies".
2. This Compliance Report assesses the measures taken by the authorities of Croatia to implement the recommendations issued in the [Fifth Round Evaluation Report on Croatia](#) which was adopted at GRECO's 84th Plenary Meeting (2-6 December 2019) and made public on 24 March 2020, following authorisation by Croatia ([GrecoEval5Rep\(2019\)1E](#)).
3. As required by GRECO's Rules of Procedure,¹ the authorities of Croatia submitted a Situation Report on measures taken to implement the recommendations. This report was received on 1 July 2021 and served, together with additional information subsequently provided, as a basis for the Compliance Report.
4. GRECO selected Cyprus (with respect to top executive functions in central governments) and Georgia (with respect to law enforcement agencies) to appoint Rapporteurs for the compliance procedure. The rapporteurs appointed were Alexia KALISPERA, on behalf of Cyprus, and Zurab SANIKIDZE, on behalf of Georgia. They were assisted by GRECO's Secretariat in drawing up the Compliance Report.
5. The Compliance Report examines the implementation of each individual recommendation contained in the Evaluation Report and establishes an overall appraisal of the level of the member's compliance with these recommendations. The implementation of any pending recommendation (partially or not implemented) will be assessed on the basis of a further Situation Report to be submitted by the authorities 18 months after the adoption of the present Compliance Report.

II. ANALYSIS

6. GRECO addressed 17 recommendations to Croatia in its Evaluation Report. Compliance with these recommendations is dealt with below.

Preventing corruption and promoting integrity in central governments (top executive functions)

Recommendations i and xi.

7. *GRECO recommended that the legal status, recruitment and obligations of special advisers and others working in an advisory capacity for the government be regulated, ensuring that they undergo an integrity check upon selection, that their names, functions and possible remuneration (for the tasks they carry out for the government) are made public and that appropriate regulations on conflicts of interest and use of confidential information apply to them (Recommendation i);*

¹ The Compliance procedure of GRECO's Fifth Evaluation Round is governed by its Rules of Procedure, as amended: Rule 31 revised bis and Rule 32 revised bis.

8. *GRECO recommended that the Law on Government be amended to limit the procedural immunity provided to members of the government, by excluding corruption-related offences which are subject to public prosecution (Recommendation xi).*
9. The Croatian authorities report that recommendations i and xi will be addressed by enacting draft amendments to the Law on the Government of the Republic of Croatia. That work is foreseen in the Plan of Legislative Activities of the Government of the Republic of Croatia in the fourth quarter of 2021.
10. GRECO takes note of the authorities' intention to amend existing legislation to comply with both recommendations. In the absence of further details regarding the content and progress of draft legislation, GRECO can only conclude that none of the recommendations have been complied with.
11. GRECO concludes that recommendations i and xi have not been implemented.

Recommendations ii and iii.

12. *GRECO recommended (i) that a code of conduct for persons with top executive functions be adopted, complemented with clear guidance regarding conflicts of interest and other integrity-related matters (e.g. gifts, outside activities, third party contacts, post-employment restrictions, financial declarations, handling of confidential information etc.) and (ii) that such a code be coupled with a mechanism of supervision and enforcement (Recommendation ii);*
13. *GRECO recommended that (i) systemic briefings on integrity issues be imparted to persons with top executive functions upon taking up their positions and at certain intervals thereafter and ii) confidential counselling on integrity issues be established for them (Recommendation iii);*
14. The Croatian authorities report, with respect to recommendation ii, that the Ministry of Justice and Public Administration has established a working group responsible for the drafting of a code of conduct for persons with top executive functions (PTEFs). With regard to recommendation iii, reference is made to the Anti-Corruption Strategy for 2021-2030, adopted by parliament on 29 October 2021, which is intended to strengthen the ethical infrastructure² for officials, including PTEFs.
15. GRECO notes the above information which underscores the lack of tangible developments with respect to both recommendation ii and recommendation iii. The working group entrusted with preparing the code of conduct for PTEFs has only recently been set up. As for the future measures to strengthen integrity in public administration, their relevance for PTEFs remains to be clarified.
16. GRECO concludes that recommendations ii and iii have not been implemented.

² The ethical infrastructure is to consist of interconnected elements which function in synergy to ensure compliance with the ethical standards. Those elements are to include codes of ethics and a body responsible for monitoring the codes' application.

Recommendation iv.

17. *GRECO recommended that measures be taken to strengthen the enforcement of decisions adopted by the Information Commissioner in accordance with the Law on the Right of Access to Information.*
18. The Croatian authorities report that a draft Law on Amendments to the Law on the Right of Access to Information has been prepared and submitted to parliament for adoption. The draft *inter alia* aims at making the role of the Information Commissioner as efficient as possible.
19. GRECO notes that amendments to the Law on the Right of Access to Information are currently in the parliament. While in the Situation Report the authorities stated that these were meant to respond to concerns underlying this recommendation, in their most recent written submission the authorities no longer insist on the relevance of this bill for the purposes of the recommendation. In the absence of further details regarding the content of these draft amendments, GRECO can only conclude that the recommendation has not been complied with, even partly.
20. GRECO concludes that recommendation iv has not been implemented.

Recommendation v.

21. *GRECO recommended that (i) rules be introduced on how persons entrusted with top executive functions engage in contacts with lobbyists and other third parties who seek to influence governmental legislative and other activities; and (ii) sufficient information about the purpose of these contacts be disclosed, such as the identity of the person(s) with whom (or on whose behalf) the meeting(s) took place and the specific subject matter(s) of the discussion.*
22. The Croatian authorities report that, following an analysis and a public debate, the introduction of a legal framework to regulate lobbying is now planned to enable the establishment of a profession adhering to the highest ethical standards and ensuring transparency in the work of lobbyists. To this end, a working group has been established, composed of representatives of the Government, the State Attorney's Office, the Information Commissioner, the Commission for Resolution of Conflicts of Interest, the Agency for Personal Data Protection, the Croatian Lobbyists' Association, NGO representatives, the Croatian Bar Association, the Faculties of Law of Zagreb and Rijeka and social partners – the Croatian Employers' Association and representatives of trade unions. The working group has had one meeting so far and the drafting process is expected to last until the end of 2022.
23. GRECO takes note of the establishment of an inter-disciplinary working group responsible for the development of a new legal framework to regulate lobbying. It remains to be seen whether and to what extent the underlying reasons for the recommendation, which is addressed to PTEFs and not lobbyists, will be addressed.

Given the early stage of the process, GRECO concludes that this recommendation has not been complied with, even partly.

24. GRECO concludes that recommendation v has not been implemented.

Recommendations vi-x.

25. *GRECO recommended that a requirement of “ad hoc” disclosure be introduced in respect of persons entrusted with top executive functions in situations of conflicts between private interests and official functions, when they occur (Recommendation vi);*
26. *GRECO recommended that post-employment restrictions be broadened in scope in respect of persons with top executive functions (Recommendation vii);*
27. *GRECO recommended obliging persons with top executive functions to submit their financial declaration to the Commission for the Prevention of Conflicts of Interest on an annual basis (Recommendation viii);*
28. *GRECO recommended further improving possibilities for the Commission for the Prevention of Conflicts of Interest to obtain information necessary for the verification of financial declarations (including by giving the Commission the authority to oblige officials to hand over requested information) (Recommendation ix);*
29. *GRECO recommended that (i) the available sanctions for violations of the Law on the Prevention of Conflicts of Interest be reviewed, to ensure that all violations of the Law have proper consequences and (ii) the proportionality of sanctions under the Law be clarified (Recommendation x).*
30. The Croatian authorities report that the above recommendations have been taken into account in the process of drafting a new Conflicts of Interest Prevention Law. A working group responsible for the development of such a draft has held seven meetings since October 2020. The draft law has been agreed by the Government and has undergone public consultation in early autumn 2021. It was submitted to Parliament on 29 November 2021 and is expected to be adopted before the end of 2021.
31. With respect to recommendation ix, the authorities indicate that the asset declaration system in Croatia covers a wide range of public officials, including PTEFs, who are to submit declarations not only when taking office, but also during their period of service if significant changes in their financial situation occur³. The Commission for Resolution of Conflicts of Interest, which is responsible for verifying the content of declarations, may also request *ad hoc* declarations. The Commission has at its disposal a special IT application which performs regular checks of officials’, including PTEFs’, property status by retrieving data from databases kept by various state bodies. Further improvements to this application are planned to allow for an automatic inclusion of data from available public sources already at the stage of filling in a declaration.

³ Such declarations are to be submitted by the end of the year during which the changes occurred.

32. The authorities furthermore submit that the new Corruption Prevention Strategy 2021 – 2030, adopted by parliament on 29 October 2021, focuses *inter alia* on improving the framework and mechanisms pertaining to conflicts of interest management. The authorities recall the many positive steps already made in this area, notably the strengthening of the administrative and technical capacities of the Commission for Resolution of Conflicts of Interest. However, this capacity-strengthening effort needs to continue, in view of the Commission’s statutory competencies and scope of work. In this regard, the authorities inform that, in July 2020, the Commission, which now consists of 5 members and 14 employees, moved to a larger office. In 2020, its budget rose to 7 810 718 Croatian Kuna (HRK)/€1 042 000, which represents an increase compared to HRK 6 492 929/€866 156 in 2019 and HRK 5 048 458.28/€673 464 in 2018.
33. GRECO takes note of the information provided, in particular the extracts of the draft Law on Conflicts of Interest Prevention, which has a bearing on the implementation of recommendations vi, vii, viii, ix and x. The draft law has been agreed by the Government and was recently submitted to Parliament for adoption. While not being in a position to scrutinise the draft law in detail, GRECO notes that it foresees improvements, notably, a new mechanism for declaring conflicts of interest by PTEFs (recommendation vi), the application of a prolonged cooling off period to PTEFs (recommendation vii), the duty for PTEFs to submit asset declarations annually (recommendation viii) and the expansion of the content of data to be reported in such declarations coupled with additional supervisory powers vested in the Commission for Resolution of Conflicts of Interest (recommendations ix and x). In addition, GRECO notes that the staff of the Commission for the Resolution of Conflicts of Interest (Commission) has been reinforced and the Commission’s budget has been increased.
34. GRECO acknowledges that the draft Law on Conflicts of Interest Prevention and the reinforcement of the Commission, as presented by the authorities, appears to go in a direction intended by the recommendations. However, a full scrutiny of the substance of the pertinent parts of the law and connected measures is required once the law has been adopted, in order to assess the compliance with the recommendations. At this stage, GRECO can only accept that recommendations vi, vii, viii and x have been dealt with to some extent.
35. GRECO concludes that recommendations vi, vii, viii, ix and x have been partly implemented.

Regarding law enforcement agencies (Police and Border Guard)

Recommendation xii.

36. *GRECO recommended (i) the practice of paying fines directly in cash to police officers be abandoned and (ii) a comprehensive risk assessment of corruption prone areas and activities be undertaken in the police, to identify problems and emerging trends, and that the data is used for the pro-active design of an integrity and anti-corruption strategy for the police.*

37. The Croatian authorities report, with respect to part (i) of the recommendation, that in 2020 the Internal Audit Department of the Ministry of the Interior carried out an internal audit on “The revision of the process of assigning, using and returning certificates for the collection of fines, and handing in funds from the fines collected”. It contained recommendations in relation to some established deficiencies⁴. A working group was established by the General Police Director to implement these recommendations and to develop a uniform and consistent policy in this area with precisely prescribed, IT-supported, procedures and appropriate supervision.
38. Within this framework, on 17 September 2021, the General Police Director issued a new dedicated instruction, which replaced all previous instructions in this area, with prescriptions for uniform action, better transparency and more rigorous supervisory measures. The related IT-applications and tools have been upgraded and their use and the right of access more stringently regulated. Furthermore, disciplinary proceedings have been initiated/criminal charges filed against some police officers for related omissions.
39. Finally, the authorities state in relation to part (i) of the recommendation that the General Police Directorate has decided to fully abandon the collection of fines in cash. The procurement of a sufficient number of POS devices, which are a precondition for the non-cash payment of fines on the spot, is currently in progress. A pilot project on “Improving and modernising traffic police actions” aimed at enabling a complete transfer to the non-cash payment of fines on the spot is underway.
40. Concerning part (ii) of the recommendation, the authorities report that the Ministry of the Interior has adopted a Plan for the implementation of anti-corruption measures at the General Police Directorate (available to GRECO) and that assessments of corruption prone areas within the police are systematically included in the Ministry’s documents entitled “Strategic Assessment of the General Police Directorate” and “Serious Organised Crime Threat Assessment”.
41. GRECO welcomes the police authorities’ decision to fully abandon the collection of fines in cash in the future and notes that steps have been taken to better control and supervise the current system of paying fines in cash to police officers, to procure devices necessary for abandoning this practice in the future and to launch a pilot to test a new non-cash payment system of fines in the traffic police. Given that these are all steps in the right direction, GRECO concludes that this part of the recommendation has been partly complied with. Concerning part (ii) of the recommendation, it does not appear that a comprehensive risk assessment of corruption prone areas within the police has been carried out. The Plan mentioned above relies on a rather generic assessment of corruption risks in the police (political, economic, geographical, technological, organisation and institutional), while other evidence to support the authorities’ view has not been supplied. This part of the recommendation is therefore not implemented.
42. GRECO concludes that recommendation xii has been partly implemented.

⁴ Notably the deficiency pertaining to the normative regulation of the process and the deficiency related to the inadequate level of powers granted to police officers and civil servants in terms of using related powers.

Recommendation xiii.

43. *GRECO recommended that (i) the Code of Ethics for Police Officers is updated and covers in detail all relevant integrity matters (such as conflict of interest, gifts, contacts with third parties, outside activities, the handling of confidential information), supplemented with a manual or handbook illustrating all issues and risk areas with concrete examples; (ii) the Code of Ethics be made known to the public.*
44. The Croatian authorities report that, in order to improve the existing framework which defines ethical standards and values of the police, the Ministry of the Interior has prepared a new draft Code of Ethics for Police Officers (available to GRECO), with involvement of all relevant stakeholders, including trade unions. The draft Code foresees an obligation on police officers to respect integrity standards and the dignity of citizens during police actions while at the same time establishing the right of police officers to be protected against all forms of harassment⁵. Special emphasis is placed on dignity and on conduct both on and off duty since public perceptions of the police as a whole is also premised on how the conduct of a police officer as an individual is perceived.
45. The authorities report that the draft Code prohibits the gain of material or other benefits and to seek and exercise any privileges and abuse of authority. To ensure impartiality and objectivity and prevent conflicts of interest, police officers are to report to their superior any circumstances that might compromise their objectivity and integrity in the performance of their duties. The draft also prohibits activities that might lead to a conflict of interests or hamper the proper performance of tasks, damage the reputation of police officers and of the police as a whole. It also contains guidelines on police conduct, handling of confidential information, etc. relating to the activities/work of the Ministry of the Interior.
46. The authorities underline that bringing together under the draft Code's umbrella thematic provisions covered by various laws and regulations has been a rewarding exercise that has produced a comprehensive overview and has helped to better understand and determine the ethical standards and values, as well as the rights and obligations by which police officers are to abide. The procedure for adopting the draft is under way.
47. GRECO welcomes the development of a new draft Code of Ethics for Police Officers, which is to replace the existing Code from 2012. Although certain dimensions of integrity are now explicitly covered (conflicts of interest, gifts, secondary employment), the draft as a whole still represents a rather generic statement of principles which are not suitable for guiding the behaviour of police officers in practice. Definitions, guidelines and examples are not given⁶. Invitations, use of social media, third party contacts are not covered. Corruption prone areas remain to be elucidated by the risk assessment (cf.

⁵ That is, any behaviour aimed at or actually representing a violation of their dignity, which causes fear or hostile, degrading or offensive environment.

⁶ For example, Article 5 of the draft obliges a police officer to "be determined to expose all forms of bribery and corruption." It is unclear whether such an obligation establishes a duty to report bribery and corruption within the police (cf. recommendation vii).

recommendation xii (ii))⁷ and properly addressed, and steps to be taken to avoid or defuse corruption threats explained.

48. GRECO concludes that recommendation xiii has been partly implemented.

Recommendation xiv.

49. *GRECO recommended that both the initial and in-service training of police officers on ethics and integrity matters be considerably enhanced, taking into consideration the specificity of their duties and vulnerabilities, as provided in a future code of conduct or ethics.*

50. The Croatian authorities report the following action taken to comply with the recommendation:

- the Department for Professional Development and Specialisation at the *Police Academy* has introduced Professional Ethics as a mandatory course in all professional development, training and specialisation programmes for police officers. The number of training hours in professional ethics is determined by the duration of training, its goal, expected outcomes and category of participants. The course includes an introduction to regulatory acts, practical cases (ethical dilemmas and examples of unethical conduct), and discussions aimed at raising awareness on how important it is for police officers to live and work in accordance with the values considered standard by the relevant codes of ethics (the Code of Ethics for Civil Servants and the Police Code of Ethics);
- the next professional training programme for police officers run by the “Josip Jović Police School” includes training on the Croatian Constitution, EU law and human rights and will also integrate themes of integrity, professional ethics and corruption prevention. As part of the 14-hour course on “Police Powers and Their Use”, reports received from relevant institutions will be analysed with regard to corruption in general and the perception of corruption in Croatia in particular;
- the training programme of the *Police College* will include a mandatory 30-hour course on Police Ethics (currently optional);
- the Centre for the training of dog handlers and service dogs has included professional ethics in its training programmes;
- the Department for the Development of Police Education, Libraries and Publishing of the Ministry of the Interior will provide support to other organisational units of the Police Academy to promote professional ethics through e-education, publications, etc.

51. GRECO takes note of the list of measures reported and is satisfied that ethics and integrity matters have been imbedded as a mandatory subject into various stages of initial and in-service training. GRECO recalls that all such training is to use as a main reference tool a revised Code of Ethics for Police Officers (which is currently being drafted, cf. recommendation xiii). Pending further progress in the implementation of recommendation xiii, the current recommendation has not been fully implemented.

⁷ Also cf. paragraph 118 of the Evaluation Report.

52. GRECO concludes that recommendation xiv has been partly implemented.

Recommendation xv.

53. *GRECO recommended that possibilities to further improve the current appointment and promotion processes within the police be explored, with a view to improving the objectivity and transparency of decisions, paying particular attention to the representation of women in the police at all levels.*

54. The Croatian authorities recall the procedures for appointment/promotion/removal of senior police officers and police officers, which is defined by the Police Act (Title 9). They also explain the procedures for challenging the legality of appointments, ultimately by an administrative court.

55. The authorities also state that new regulation on the internal organisation of the Ministry of the Interior is currently being drafted. It foresees a significant reduction in the indicative number of civil servants and employees in the Ministry's organisational units. Once this regulation is adopted, vacancies for police officers will be published in accordance with the requirements of organisational units and actual needs. The "Human Resources" section of the current information system of the Ministry is being adjusted to reflect those changes and to improve and modernise the procedure so that information on all vacancies for police officers, including senior positions that are not to be filled through internal vacancy notices, are available to all police officers at any given moment.

56. Turning to the representation of women in the police force, according to the authorities, it has continuously increased over the past several years. Currently, of the total number of police officers, 19.85% are women, whereas in 2019 women accounted for 19% of the total number of those employed. Possibilities for further improving the current appointment and promotion processes in the police, including the representation of women, are being further explored.

57. GRECO takes note of the information provided. Regarding appointment and promotion processes in the police, it does not appear that any new steps have been taken to tackle concerns around the lack of objectivity and transparency, including as regards the appointment of the Director General, his/her Deputy and Assistant⁸. It also remains to be seen whether the draft Regulation on the internal organisation of the Ministry of the Interior, once adopted, would contribute to solving the problems underlying this recommendation. Concerning the number of women in the police, GRECO notes that it is slowly on the rise, however it does not appear that a review has been carried out to look at opportunities for improving the representation of women in the police at all levels⁹.

58. GRECO concludes that recommendation xv has not been implemented.

⁸ Cf. paragraph 133 of the Evaluation Report.

⁹ Ibid.

Recommendation xvi.

59. *GRECO recommended that a study be conducted concerning the activities of police officers after they leave the police and that, if necessary in light of the findings of this study, rules be adopted to ensure transparency and limit the risks of conflicts of interest.*
60. The Croatian authorities report that the Police College at the Police Academy has started collecting preliminary data for a study, in cooperation with the Human Resources Directorate of the Ministry of the Interior. The study is to determine the types, and their frequency, of police officers' activities after leaving the police. If necessary, in light of the findings, the Ministry might consider developing guidelines for ensuring transparency and limiting the risks of conflicts of interest.
61. GRECO notes the early stages of a study concerning the activities of police officers after they leave the police.
62. GRECO concludes that recommendation xvi has not been implemented.

Recommendation xvii.

63. *GRECO recommended that a requirement be established for police staff to report integrity related misconduct they come across in the service.*
64. The Croatian authorities report that in 2001 the Ministry of the Interior set up anonymous contact points for citizens and for police officers and civil servants to report corruption, which are available 24/7:
 - free telephone number: 0800 5092
 - free fax number: 0800 8092
 - e-mail address: korupcija@mup.hr

The objective is to enhance cooperation with citizens, including police officers and civil servants, who wish to report any suspicion of corruption anonymously.

65. GRECO notes the (external) channels in place since 2001 for reporting corruption in the police, which are available to citizens and police officers alike. However, the recommendation calls for the establishment of a duty for police officers to report integrity related misconduct of a certain gravity (but which does not amount to a criminal offence) that they come across in service¹⁰.
66. GRECO concludes that recommendation xvii has not been implemented.

¹⁰ Such a requirement could well be part of a revised code of conduct, as recommended in paragraph 118 of the Evaluation Report.

III. CONCLUSIONS

67. **In view of the foregoing, GRECO concludes that Croatia has implemented satisfactorily or dealt with in a satisfactory manner none of the seventeen recommendations contained in the Fifth Round Evaluation Report.** Eight recommendations have been partly implemented and nine have not been implemented.
68. More specifically, recommendations vi-x, xii, xiii and xiv have been partly implemented, and recommendations i- v, xi and xv-xvii have not been implemented.
69. With respect to top executive functions, the draft Law on Conflict of Interest Prevention appears to go in the right direction in order to remedy a number of recommendations. However, this draft Law was only recently submitted to Parliament for adoption. It foresees new mechanisms to increase the integrity of PTEFs, notably a mechanism for disclosing conflicts of interest, the annual reporting of assets and the provision of a cooling off period. However, The Law needs to be assessed in detail, once it has been adopted. Similarly, measures to increase the capacity of the Commission for the Resolution of Conflicts of Interest are noted and will be further assessed.
70. Concerning law enforcement agencies, it is to be welcomed that measures necessary for abandoning the practice of fines being paid in cash directly to police officers are underway and the launch of a corresponding pilot project in the traffic police are steps in the right direction. The inclusion of integrity as a mandatory subject in the initial and in-service training for police officers is also progress in the right direction. This being said, a revised code of ethics for the police, which should serve as the basis for police training throughout, is yet to be adopted, a comprehensive risk assessment of corruption prone areas in the police - on which the future code is to be premised, is to be carried out and possibilities to further improve appointment and promotion processes within the police, with a view to improving the objectivity and transparency of decisions, are to be further explored.
71. In view of the above, GRECO notes that further progress is necessary to demonstrate an acceptable level of compliance with the recommendations within the next 18 months. Pursuant to Rule 31 revised bis, paragraph 8.2 of its Rules of Procedure, GRECO invites the Head of delegation of Croatia to submit additional information regarding the implementation of the pending recommendations i-xvii by 30 June 2023.
72. Finally, GRECO invites the authorities of Croatia to authorise, as soon as possible, the publication of the report, to translate it into the national language and to make the translation public.