

Adoption: 22 March 2024
Publication : 24 June 2024

Public
GrecoRC5(2024)4

FIFTH EVALUATION ROUND

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

SECOND COMPLIANCE REPORT

CROATIA



Adopted by by GRECO
at its 96th Plenary Meeting (Strasbourg, 18-22 March 2024)



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

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

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 [Second 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. The corresponding [Compliance Report](#) was adopted by GRECO at its 89th Plenary Meeting (3 December 2021) and made public 22 December 2021, following authorisation by Croatia.
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 29 September and 21 December 2023 and served, together with additional information, as a basis for the Second 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 Ms Alexia Kalispera on behalf of Cyprus, and Mr Giorgi Bagdavadze on behalf of Georgia. They were assisted by GRECO's Secretariat in drawing up the Second Compliance Report.

II. ANALYSIS

5. GRECO addressed 17 recommendations to Croatia in its Evaluation Report. In the Compliance Report, GRECO concluded that recommendations vi-x, xii, xiii and xiv had been partly implemented, and recommendations i-v, xi and xv-xvii had not been implemented. Compliance with the outstanding recommendations is examined below.

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

6. By way of general remarks, the authorities report that a new Strategy on the Prevention of Corruption for 2021-2030 was adopted in October 2021, and the first implementation Action Plan for the period 2022-2024 was adopted in 2022. The Action Plan contains concrete activities in specific sectoral priority areas, ranging from managing conflicts of interest, strengthening the anticorruption mechanisms in State-owned enterprises, to reducing the risk of corruption in the allocation of European Union funds, public procurement and other priority sectors such as law enforcement and transport. As of 1 July 2022, Croatia shifted to the non-cash recovery of fines through the use of digital devices in the police.

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.

7. As regards the legal framework, a new Act on the Prevention of Conflicts of Interest, adopted in December 2021, has significantly strengthened standards in this area. Furthermore, a new Act on the protection of persons reporting irregularities (the “Whistleblowers Protection Act”) entered into force in April 2022. Also, amendments to the Right to Access Information Act entered into force in June 2022, aiming at improving and harmonising practices concerning requests for access to information. In July 2022, amendments were brought about to the Act on the Government of the Republic of Croatia to remove immunity of members of Government for corruption crimes and to require special advisers of the Prime Minister and Ministers to declare their interests and impartiality at the time of their appointment. Furthermore, draft legislation on lobbying was passed by Parliament at first reading in February 2024, and the final passage is expected to take place².

Recommendation i

8. *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.*
9. GRECO recalls that this recommendation was not implemented. The authorities had expressed their intention to amend the existing legislation to comply with it.
10. The Croatian authorities now report that, according to amendments to the Law on the Government which entered into force in July 2022³, an individual member of the Government may, with the Prime Minister’s consent, appoint and dismiss a special adviser. Persons working in an advisory capacity will be appointed from the ranks of public employees working in science, culture, etc., from the ranks of civil society organisations, as well as from the ranks of businessmen and other experts who have distinguished themselves in their career. In fact, information on special advisers and persons working in an advisory capacity has been published on the website of the Government⁴ or on the website of relevant Ministries⁵. According to Article 22 of the

² Shortly prior to the adoption of this report, the Croatian authorities provided that the final passage of the Lobbying Act took place on 14 March 2024.

³ https://narodne-novine.nn.hr/clanci/sluzbeni/2022_07_80_1168.html

⁴ As regards the Government of the Republic of Croatia <https://vlada.gov.hr/o-vladi/predsjednik-vlade-65/podaci-o-posebnim-savjetnicima-i-clanovima-savjeta-predsjednika-vlade/36098>;

⁵ See, for example, as regards the Ministry of Labour, Pension System, Family and Social Policy <https://mrosp.gov.hr/o-ministarstvu/posebni-savjetnici/13299>; as regards the Ministry of the Sea, Transport and Infrastructure <https://mmpi.gov.hr/djelokrug-9/posebni-savjetnici/23509>; as regards the Ministry of Agriculture <https://poljoprivreda.gov.hr/o-ministarstvu/posebni-savjetnici/5744>; as regards the Ministry of Regional Development and Funds of the European Union <https://razvoj.gov.hr/o-ministarstvu/posebni-savjetnici/5149>; as regards the Ministry of Tourism and Sport <https://mint.gov.hr/o-ministarstvu/posebni-savjetnici/23224>; as regards the Ministry of the Interior <https://mup.gov.hr/UserDocImages//DUZNOSNICI//Obrazac%20s%20podacima%20o%20posebnom%20savjetniku.pdf>; as regards the Ministry of Justice and Public Administration <https://mpu.gov.hr/o->

Code of Conduct for State Officials in Executive Bodies (see paragraph 15 below), when selecting advisers and members of advisory groups, a member of the Government has to take into account the requirements of the relevant tasks and expertise, professional experience and integrity of the candidate. Under the newly added Article 23a, special advisers and persons working in an advisory capacity will perform their duties lawfully and impartially, taking care not to place their private interest before the public interest. For this purpose, within eight days of the adoption of the decision on appointment, they are to sign a Declaration of Interests and Impartiality, which requires them to disclose their shares in companies and partnerships, business interests or cooperation in legal entities, associations and organisations, to declare any potential or real conflicts of interest as they arise, to maintain the confidentiality of information and any working documents and not to transmit them to third parties without authorisation. In the authorities' view, the aim of the declaration of interests is to ensure the integrity of special advisers.

11. GRECO takes note of the Law on the Government, as amended, which vests a member of the Government with the power to appoint or dismiss a special adviser. It acknowledges that the appointment is made in accordance with certain selection criteria, as specified in the Code of Conduct for State Officials in Executive Bodies. In this connection, it welcomes that, as required by the amended Law on the Government, the names of special advisers have been published online and GRECO expects this practice to continue in the future. It also recognises that special advisers sign a declaration of interests and impartiality on appointment, containing certain obligations imposed on them. However, for this recommendation to be fully implemented, GRECO considers that, as required by this recommendation, the selection of special advisers does not undergo any integrity checks. The submission of the declaration of interests may serve as a basis to conduct integrity checks, in respect of which no measures appear to have been taken. This recommendation cannot thus be considered more than partly implemented.
12. GRECO concludes that recommendation i has been partly implemented.

Recommendation ii

13. *GRECO recommended that (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*

[mizarstarstvu/posebni-savjetnici-ministra/26394](https://mzo.gov.hr/pristup-informacijama/posebni-savjetnici-ministra/26394); as regards the Ministry of Science and Education <https://mzo.gov.hr/pristup-informacijama/posebni-savjetnici-ministra/5034>; as regards the Ministry of Defence <https://www.morh.hr/posebni-savjetnici-ministra/>; as regards the Ministry of Physical Planning, Construction and State Assets https://mpgi.gov.hr/UserDocImages/OMinistarstvu/Onama/MPGI_posebni_savjetnik.pdf; as regards the Ministry of Finance <https://mfin.gov.hr/pristup-informacijama/posebni-savjetnici/3478>; as regards the Ministry of Health <https://zdravlje.gov.hr/o-ministarstvu/ustrojstvo/posebni-savjetnici/5637>; as regards the Ministry of Culture and Media <https://min-kulture.gov.hr/UserDocImages/dokumenti/Javni%20poziv%202024/2024%20financiranje/Obrazac%20s%20podacima%20o%20posebnim%20savjetnicima.docx>.

information etc.) and (ii) that such a code be coupled with a mechanism of supervision and enforcement.

14. GRECO recalls that this recommendation was not implemented. A working group had been set up to prepare a code of conduct for persons with top executive functions (PTEFs).
15. The Croatian authorities report that the Government has adopted a Code of Conduct for State Officials in Executive Bodies⁶ (published in the Official Gazette no. 54/2022), which applies to, amongst other officials, all members of the Government (i.e. the Prime Minister, Deputy Ministers and Ministers), State Secretaries and other State officials in the Executive Bodies appointed by the Government. The Code of Conduct includes the following ethical principles to be observed by State officials: the principle of protecting the public interest and preserving citizens' trust, the principle of publicity and transparency, the principle of exemplary conduct, the principle of performance accountability and the principle of rational use of public resources. The content of the Code is confirmed in writing by a PTEF within 15 days of taking office, and comprises additional provisions relating to conflicts of interest, declaration of interests and assets, receipt of gifts, performance of other functions and activities, post-employment restrictions, contacts with third parties, and the handling of confidential information.
16. A Council for the Implementation of the Code of Conduct for State Officials in the Executive Bodies (the Implementation Council) has been set up. It consists of five members⁷ who have been appointed by the Government in January 2023 (Official Gazette no. 10/2023). The Implementation Council is responsible for, amongst other tasks: giving opinions on the compliance of an official's conduct with the Code of Conduct at the official's own request, his/her immediate superior's request or the request of the Office of the Prime Minister; adopting general and individual guidelines on issues related to the content and application of the Code of Conduct; promoting ethical standards in Executive Bodies, monitoring the application of regulations in the field of combating corruption and ethical conduct of officials in Executive Bodies, providing confidential counselling, etc. The authorities have confirmed that each member of the Implementation Council is to recuse himself/herself in the event of a conflict of interest or alleged lack of impartiality.
17. GRECO welcomes the adoption of a Code of Conduct in respect of persons with top executive functions as well as the setting up of a Council for the Implementation of the Code of Conduct for State Officials in the Executive Bodies to supervise its compliance and application (the Implementation Council). As regards the first part of the recommendation, GRECO expects the Code of Conduct to be complemented with clear guidance for it to be considered fully implemented. As regards the second part of the

⁶ https://narodne-novine.nn.hr/clanci/sluzbeni/2022_05_54_701.html

⁷ The five members are made up of two persons from the ranks of State officials in Executive Bodies (–namely one Deputy Prime Minister and one State Secretary), one person from among the ranks of managerial civil servants in Executive Bodies with competence in the area of prevention of corruption, ethics in public administration or governance in Executive Bodies and two external persons from among publicly recognised experts in the field of prevention of corruption and ethics in the public sector.

recommendation, GRECO considers that, given the recent establishment and constitution of the Implementation Council, it is too early to assess its effective supervision and enforcement. In these circumstances, GRECO considers that both parts of the recommendation have been partly complied with.

18. GRECO concludes that recommendations ii has been partly implemented.

Recommendation iii

19. *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.*
20. GRECO recalls that this recommendation was not implemented. Measures would be taken to strengthen ethics of PTEFs.
21. The Croatian authorities report that, on 5 July 2023, the Implementation Council held a first education and information session with the Prime Minister and members of the Government. During the information session, a video recording of which is accessible online⁸, the members of the Government were informed about the purpose and the application of the Code of Conduct, their obligations as well as the role of the Implementation Council. Two additional information sessions were organised for State Secretaries and heads of State Administrative Organisations, who were appointed by the Government in November 2023, and a fourth one was held on 14 February 2024. The Implementation Council is also responsible for providing confidential advice on matters related to the preservation and strengthening of their integrity and ethical conduct.
22. GRECO takes note that three information meetings with top executive functions have taken place in 2023 and one in 2024. It encourages the authorities to keep the momentum and continue organising systemic briefings on integrity issues in 2024 in order to be able to regard the first part of the recommendation as fully implemented. As regards the second part of the recommendation, GRECO takes note that the Implementation Council has been empowered to provide confidential counselling to top executive functions. However, GRECO is of the view that the conflation of roles entrusted to the Implementation Council, which, in addition to giving confidential counselling to PTEFs, is responsible for the supervision and enforcement of the Code of Conduct, is open to misgivings about its impartiality and perceived conflicts of interest when dealing with the same issue in respect of the same PTEF. For this reason, GRECO considers that the tasks and role of the Implementation Council need revising and that the second part of the recommendation has been partly complied with.
23. GRECO concludes that recommendation iii has been partly implemented.

⁸ <https://mpu.gov.hr/ustrojstvo/uprava-za-ljudska-prava-nacionalne-manjine-i-etiku/etika-24739/vijece-za-provedbu-kodeksa-ponasanja-drzavnih-duznosnika-u-tijelima-izvrsne-vlasti/edukacije-vijeca-za-kodeks/27192>

Recommendation iv

24. *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.*
25. GRECO recalls that this recommendation was not implemented. Amendments to the Law on the Right of Access to Information had been submitted to parliament for adoption.
26. The Croatian authorities report that amendments to the Law on the Right of Access to Information⁹, which entered into force in June 2022, provide that the Information Commissioner's decisions, which enable access to information and decisions that order the public authority to resolve requests for information, are binding and enforceable, without having recourse to any judicial remedies. The enforcement is carried out by the Information Commissioner, who is empowered to impose a fine on the responsible person of the public authority in case of a failure to observe the decision. The fine is executed by withholding (payment of parts of) the salary of the responsible person.
27. GRECO welcomes that the Information Commissioner has been given the authority to enforce his/her decisions by imposing fines on the responsible person of the public authority, who fails to comply with them. GRECO expects that the fines will be effective, proportionate and dissuasive and will contribute to strengthening the enforcement of the Information Commissioner's decisions in practice.
28. GRECO concludes that recommendation iv has been implemented satisfactorily.

Recommendation v

29. *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.*
30. GRECO recalls that this recommendation was not implemented. An inter-disciplinary working group responsible for the development of a new legal framework to regulate lobbying had been established.
31. The Croatian authorities report that a law on lobbying was passed by Parliament, at first reading, on 7 February 2024, and the final passage is expected to take place¹⁰. According to the law, lobbyists are required to file an application for registration in a register of lobbyists, which will be established and maintained by the Commission for the

⁹ https://narodne-novine.nn.hr/clanci/sluzbeni/2022_06_69_1025.html

¹⁰ Shortly prior to the adoption of this report, the Croatian authorities provided that the final passage of the Lobbying Act took place on 14 March 2024.

Resolution of Conflicts of Interest (the Commission). Lobbyists are entitled to engage in lobbying only upon receipt of the Commission's favourable decision on registration. Data from the register of lobbyists will be made publicly available. When announcing their lobbying activity, lobbyists are to introduce themselves to lobbied persons, prove that they are registered in the register of lobbyists, and state their purpose and goal as well as the beneficiary of their lobbying. As regards reporting obligations, lobbyists are required to submit a report on lobbying activities annually, by 31 March of each year in respect of the previous year. The Commission may, on its own initiative, verify the accuracy of the information contained in lobbyists' reports. The law sets out sanctions, such as a written warning, a ban on lobbying for a limited period of time, a pecuniary sanction and removal from the register of lobbyists, that may be imposed in case of a breach of its provisions.

32. According to Article 7 of the law on lobbying, which lays down obligations on lobbied persons, including persons with top executive functions, they may agree to communicate with lobbyists only after prior verification of the lobbyists' registration in the register of lobbyists. Lobbied persons are to exercise due diligence in relation to information representing a professional secret or other confidential information that they learn during lobbying. They are to refuse communication with lobbyists if they assess that the subject matter of lobbying concerns an interest contrary to constitutional principles or public interest, or relates to unlawful conduct or omission, or if the lobbyists' conduct is unlawful. Also, under Article 22 of the law on lobbying, lobbied persons are precluded from lobbying in relation to the legislative or executive authority, state administration body or body of a local or regional self-government unit in which they held a public office or served, for a period of 18 months upon termination of office or service. Moreover, Article 18 of the Code of Conduct for State Officials in Executive Authorities states that when contacting third parties, State Officials ought to take care not to bring themselves into a situation of conflict of interest and not to put others into a situation of conflict of interest. Important meetings with third parties are to be communicated to the public on the website of the Executive Authority in which State Officials hold office or through social networks.
33. GRECO takes note of the law on lobbying, the final passage of which is expected to take place¹¹ and which chiefly governs the activity of lobbyists. In addition, the law on lobbying, combined with the provisions of the Code of Conduct, introduce certain obligations on how persons with top executive functions are to engage with lobbyists (e.g. the obligation to refuse further communication with lobbyists on matters which are contrary to constitutional principles of public interests, the obligation to avoid the occurrence of any conflict of interest, and the obligation to not engage in lobbying activities in the same area in which persons with top executive functions held office for a period of 18 months after leaving office). These are positive developments attesting to the fact that the first part of the recommendation will be considered to have been dealt with in a satisfactory manner upon the entry into force of the law on lobbying. As regards the second part of the recommendation, the Code of Conduct requires that only important meetings with third parties be disclosed to the public. GRECO is concerned

¹¹ Pending the entry into force of the Lobbying Act, which was passed on 14 March 2024, its final content will be examined in the next compliance report.

that such a provision leaves a broad margin of discretion to PTEFs to decide on the “important meetings” to be disclosed, while it would advocate for the disclosure of all meetings between persons with top executive functions and lobbyists or other third parties. In addition, the authorities have yet to demonstrate the public disclosure of such meetings, in line with the requirements of the second part of the recommendation. It cannot be said that this the recommendation has been more than partly complied with.

34. GRECO concludes that recommendation v has been partly implemented.

Recommendation vi

35. *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.*
36. GRECO recalls that this recommendation was partly implemented on account of a new draft law on the prevention of conflicts of interest, the provisions of which would be assessed upon its enactment by parliament.
37. The Croatian authorities report that the Prevention of Conflicts of Interest Act¹², which entered into force in December 2021, applies to, amongst other public officeholders, persons with top executive functions. According to Article 2, a conflict of interest exists when the private interests of a public officeholder are contrary to the public interest, in the following cases: (i) when a private interest of the public officeholders may affect their impartiality in the exercise of public office (potential conflict of interest) and (ii) when a private interest of the public officeholders has influenced or can reasonably be considered to have influenced their impartiality in the exercise of public office (actual conflict of interest). Article 9 further provides that if circumstances arise that may be defined as a conflict of interest, the public officeholder is required to declare it in an appropriate manner and resolve it in such a way as to protect the public interest. Unless otherwise provided by law, the public officeholders are obliged to recuse themselves from decision-making or participating in decision-making and from concluding contracts that affect their own business interest or the business interest of a) persons connected to them or b) their employers in the two-year period prior to taking office.
38. GRECO welcomes the entry into force of the Prevention of Conflicts of Interest Act, Article 9 of which has introduced the obligation to disclose *ad hoc* conflicts of interest by public officeholders, including persons with top executive functions.
39. GRECO concludes that recommendation vi has been implemented satisfactorily.

Recommendation vii

40. *GRECO recommended that post-employment restrictions be broadened in scope in respect of persons with top executive functions.*

¹² https://narodne-novine.nn.hr/clanci/sluzbeni/2021_12_143_2435.html

41. GRECO recalls that this recommendation was partly implemented on account of a new draft law on the prevention of conflicts of law, the provisions of which would be assessed upon its enactment by parliament.
42. The Croatian authorities now report that Article 23 of the Prevention of Conflicts of Interest Act provides that a public officeholder must not accept appointment to management positions in a legal entity with which the public authority in which the public officeholders held office had a business relationship or conducted supervisory functions over it during their term of office, unless otherwise prescribed by a special law. This restriction will apply for 18 months after the termination of office. In addition, the legal entity must not appoint or employ the public officeholder within the same time-frame. The Commission for the Resolution of Conflicts of Interest will give consent to the public officeholder for the appointment, election or conclusion of a contract if it follows, from the specific circumstances of the case, that there is no conflict of interest. In addition, the law on lobbying has prohibited persons with top executive function from lobbying in relation to the legislative or executive authority, state administration body or body of a local or regional self-government unit in which they held a public office or served, for a period of 18 months upon termination of office or service (also see paragraph 32 above).
43. GRECO welcomes that the Prevention of Conflicts of Interest Act and the new law on lobbying have extended the cooling-off period, before persons with top executive function accept employment in the private sector, to 18 months. The fact remains that such post-employment restriction is limited only to managerial positions and is not extended to employment in other positions (e.g. of an advisory nature). In addition, the scope of the restriction remains the same as described in paragraph 78 of the Evaluation Report, i.e. employment is restricted to legal entities with which the public authority in which the public officeholders held office had a business relationship or conducted supervisory functions over it during their term of office. In these circumstances, this recommendation has not been more than partly complied with.
44. GRECO concludes that recommendation vii remains partly implemented.

Recommendation viii

45. *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.*
46. GRECO recalls that this recommendation was partly implemented on account of a new draft law on the prevention of conflicts of law, the provisions of which would be assessed upon its enactment by parliament.
47. The Croatian authorities now report that, under Article 10 of the Prevention of Conflicts of Interest Act, public officeholders are required to submit an asset declaration to the Commission for the Resolution of Conflicts of Interest, within 30 days of taking office and within 30 days of leaving office. Public officeholders who are re-elected or re-appointed are to submit an asset declaration within 30 days of re-assuming office. Public

officeholders who continue to be in office are obliged to submit an annual declaration of assets by 31 January of each year covering the previous year. Lastly, public officeholders must submit an asset declaration within 15 days from the expiration of a period of 12 months from leaving office.

48. GRECO welcomes that the Prevention of Conflicts of Interest Act has introduced a statutory obligation for top executive functions to submit annual declarations of assets to the Commission for the Resolution of Conflicts of Interest.
49. GRECO concludes that recommendation viii has been implemented satisfactorily.

Recommendation ix

50. *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).*
51. GRECO recalls that this recommendation was partly implemented on account of a new draft law on the prevention of conflicts of law, the provisions of which would be assessed upon its enactment by parliament.
52. The Croatian authorities report that, in accordance with Articles 12 (3) and 28 (1) of the Prevention of Conflicts of Interest Act, at the request of the Commission for the Resolution of Conflicts of Interest (the Commission), officials are to submit supplements, explanations and evidence of statements relating to the submitted declarations of assets. Officials are obliged to respond to the Commission's request and enclose relevant evidence within a certain time-limit. Articles 14 (1) and 29(1) of the same Act state that the Commission will initiate a procedure for the violation of provisions on the submission of asset declarations against officials who fail to comply with its request for additional documents, explanations or evidence. In addition, Article 12 (4) of the same Act provides that, at the request of the Commission, the competent authorities are to submit requested information and evidence without delay.
53. GRECO welcomes that the Prevention of Conflicts of Interest Act has empowered the Commission for the Resolution of Conflicts of Interest to request officials to furnish evidentiary documents in support of declarations of assets, failing which the Commission will institute proceedings for breaches of the applicable statutory provisions. In addition, under the same Act, the Commission has been vested with the power to request the competent authorities to submit any information or evidence without delay. In these circumstances, GRECO considers that this recommendation has been complied with and expects that such powers, together with the reinforcement of the Commission's capacities, will enable it to effectively carry out the verification of declarations.
54. GRECO concludes that recommendation ix has been implemented satisfactorily.

Recommendation x

55. *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.*
56. GRECO recalls that this recommendation was partly implemented on account of a new draft law on the prevention of conflicts of law, the provisions of which would be assessed upon its enactment by parliament.
57. The Croatian authorities report that, under Article 48 of the Prevention of Conflicts of Interest Act, the Commission for the Resolution of Conflicts of Interest may, having regard to the principle of proportionality, impose an admonition (warning) or a fine for violations of the statutory provisions. According to Article 49, an admonition (similar to a reprimand/warning) may be imposed if there has been a minor violation of the provisions of the Act. If appropriate to the nature of the violation, the Commission may order an official to eliminate the causes giving rise to a conflict-of-interest situation, within a certain period and, if the official person does so, it may discontinue the procedure or close it, and takes into account the execution of the order when imposing a sanction. The Commission, having regard to the severity and consequences of the violation, may impose a fine of between 4,000 and 40,000 Croatian Kunas (approx. between 533 and 5,333 euros). The fine will be enforced by withholding payment of part of the official's net monthly salary or of all income, provided that the enforcement does not last more than twelve months, and the amount withheld does not exceed half of the official's net monthly salary. In addition, in accordance with Article 53, the Commission may impose a fine of between 2,000 and 10,000 Croatian Kunas (approx. between 266.5 and 1,332.25 euros) on the head of a public authority who fails to submit any information requested by the Commission under Article 42 (5).
58. GRECO notes that the Prevention of Conflicts of Interest Act has introduced certain new features: sanctions (i.e. admonition and a fine) appear to be imposed for all substantial provisions of the law; a fine may be enforced by withholding payment not only of an official's salary but also of all income; the minimum mandatory amount of fine to be imposed on an official has doubled (from 2,000 to 4,000 Croatian Kunas – approx. from 265 to 533 euros); a fine may now be imposed on the head of a public authority who fails to cooperate with the Commission. These are steps attesting to the implementation of the first part of the recommendation.
59. As regards the second part, the Prevention of Conflicts of Interest Act 2021 provides for the imposition of only two sanctions (i.e. an admonition (similar to a warning) and fines), by observing the principle of proportionality. The fact remains that, in the first place, the law does not lay down an appropriate/adequate scale of sanctions for breaches of its statutory provisions (other than admonition and fine, as did the previous law which was examined in the Evaluation Report). Secondly, the law – or any guidance or practice adopted by the Commission - do not provide characterisations, classifications, or criteria of “minor” or “serious” violations which would determine the imposition of either sanction. Thirdly, while the minimum fine to be imposed on an official has doubled (to

4,000 Croatian Kunas – approx. 533 euros), GRECO considers that the minimum fine to be imposed on the head of a public authority for failure to cooperate with the Commission (i.e. 2,000 Croatian Kunas – approx. 265 euros) is inadequate. For these reasons, GRECO considers that the proportionality of sanctions under the law needs clarifying, and that this part of the recommendation has not been complied with, not even partly.

60. GRECO concludes that recommendation x remains partly implemented.

Recommendation xi

61. *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.*
62. GRECO recalls that this recommendation was not implemented, while the authorities had expressed their intention to amend the existing legislation to comply with it.
63. The Croatian authorities report that, further to the statutory amendments to the Law on the Government (see paragraph 10 above), the newly added Article 34 (2) states that “criminal proceedings may be conducted against a member of the Government without prior approval of the Government for the criminal offences related to corruption which are prosecuted *ex officio*”.
64. GRECO welcomes the statutory amendments brought about to the Law on the Government, according to which members of the Government no longer enjoy immunity against the *ex officio* prosecution of corruption-related offences.
65. GRECO concludes that recommendations xi has been implemented satisfactorily.

Regarding law enforcement agencies (Police and Border Guard)

Recommendation xii

66. *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.*
67. GRECO recalls that this recommendation was partly implemented. The first part of the recommendation was considered to have been partly implemented, as the police authorities had decided to fully abandon the collection of fines in cash and measures were underway to procure devices necessary for the implementation of that decision. The second part of the recommendation was not implemented as it did not appear that a comprehensive risk assessment of corruption prone areas within the police had been carried out, the authorities having failed to supply any evidentiary documents.

68. The Croatian authorities report that, as regards the first part of the recommendation, 600 points of sale (POS) have been procured to make electronic (cash free) payments to the Police. These devices, together with the existing 116 POS devices in the police administration, have allowed for the full abandonment of the practice of paying fines in cash directly to the police as of 1 July 2022. This approach has led to better control and supervision of the system of payment of fines, and has consequently reduced the risks of abuse and potential corrupt behaviour by police officers.
69. Concerning the second part, the Croatian authorities again refer to a plan for the implementation of anti-corruption measures in the Police, which was adopted on 1 June 2021 (see paragraph 40 of the previous Compliance Report). They further provide that the detection and suppression of corruption crimes has been one of the priorities contained in the General Police Directorate's Strategic Assessment, which serves as a fundamental strategic document determining the priorities in the work of the Police. They have initiated the process of implementing a comprehensive risk assessment, the results of which will be reflected in a Strategy for Integrity and Prevention of Corruption in the Police in 2024 that will be implemented by the Internal Control Service of the Minister's Cabinet and the competence units of the General Police Directorate. As regards the identification of threats, risks and trends in specific corruption-prone areas, the authorities: (i) have conducted several criminal investigations into internal police corruption, which have resulted in the prosecution of police officers and managers, ranging from deputy chiefs of police administrations, heads of departments, heads of police stations, to police inspectors and civil servants. In 2023, an investigation found out that police officers had provided classified information for financial compensation to individuals within criminal circles; (ii) have received 1,783 complaints and anonymous reports regarding police conduct from 2019 to 2023, which were investigated to determine any irregularities in the work of police officers; (iii) have initiated a total of 2,573 disciplinary proceedings against police officers for minor and major violations of official duties, and have filed criminal charges were against 400 police officers and 24 civil servants (unauthorized officials) for a total of 1,256 criminal offenses; (iv) have set up a Department for Coordination, Integrity, and Prevention, within the Ministry's Internal Control, which analyses and determines the state of professional responsibility of police officers and other civil servants and employees of the Ministry, identifies the causes of illegal, unprofessional, and unethical conduct and behaviour, and proposes preventive measures to the heads of organisational units; and (v) have carried out an online study in November 2023, whose data will be used for preventive purposes. Some of the measures taken include increased supervision of police officers at the beginning, during, and at the end of their shifts, as well as monitoring the work of supervisors; monitoring occurrences related to unusual changes in employees' behaviour during work and anti-social or inappropriate behaviour outside of work; periodically monitoring the justification of using data from the Ministry of the Interior's information system, training for police officers.
70. GRECO welcomes that the practice of paying fines directly in cash to police officers has been discontinued since 1 July 2022, following the purchase of points-of-sales devices which allow for the electronic payment of fines, and considers that the first part of the

recommendation has been fully implemented. As regards the second part of the recommendation, GRECO takes note that the authorities are undertaking a comprehensive risk assessment through the use of a variety of sources and other measures to identify risks and corruption prone areas in the Police. These are steps in the right direction, which will be translated, in practice, by the production of a Strategy for Integrity and Prevention of Corruption in the Police in 2024. Pending the adoption of such document, it can be said that this part of the recommendation has been partly complied with.

71. GRECO concludes that recommendation xii remains partly implemented.

Recommendation xiii

72. *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.*
73. GRECO recalls that this recommendation was partly implemented on account of the development of a draft Code of Ethics for Police Officers. It represented a rather generic statement of principles that were not suitable for guiding the behaviour of police officers in practice, and it lacked any definitions, guidelines and examples.
74. The Croatian authorities report that a new Code of Ethics for Police Officers was adopted on 1 December 2023 and subsequently published in the Official Gazette¹³ and on the website of the Ministry of the Interior¹⁴ and the Police¹⁵s. Each police officer received an email notification about the entry into force of the new Code and a link to access its content.
75. The Code contains definitions of certain terms (such as discrimination, conflict of interest, nepotism, integrity, corruption, and third persons) and a set of ethical principles (such as the principles of legality, conscientiousness, professionalism, expertise, protection of reputation, independence, confidentiality and secrecy, and respect for dignity and integrity of citizens and other officers). It also sets out rules of conduct relating to receipt of gifts, benefits or advantages, conflicts of interest (including an obligation to report conflicts of interest to the immediate superior), contacts with third parties, the use of Internet and social media, non-disclosure of information that could damage the reputation of the Police or undermine citizens' trust. The Code also recognises the police officer's right to protection from harassment, and the right to counselling, immediate psychological and other assistance. According to Article 3, each police officer, including students at the Police Academy, is obliged to respect and apply the provisions of the Code in their daily work, mutual relations and contacts with citizens.

¹³ https://narodne-novine.nn.hr/clanci/sluzbeni/2023_12_145_2005.html

¹⁴ <https://mup.gov.hr/gradjani-281562/prituzbe/eticki-kodeks-policijskih-sluzbenika-290138/290138>

¹⁵ <https://policija.gov.hr/o-ravnateljstvu/policijski-propisi/92>

76. The Office of the Director General of the Police, the Internal Control Service and the Police Academy are currently drafting a handbook (brochure) that will illustrate all the questions from the Code of Ethics and risk-prone areas with concrete examples. The handbook will be delivered to all police officers and will be used in all forms of professional development of police officers¹⁶.
77. GRECO welcomes that the new Code of Ethics for Police Officers covers certain relevant integrity matters, while other matters are absent (for example, receipt of hospitality or courtesy gifts, misuse of information and unauthorised access to certain information, misuse of public resources, and outside activities, as also mentioned in paragraphs 144, 145, 147 of the Evaluation Report). For the first part of the recommendation to be considered fully implemented, GRECO expects that a handbook (brochure), which is being drafted, will provide explanations of the principles and rules contained in the Code and practical examples from the experience of police officers in Croatia. Also, other corruption-prone areas or matters, which may need addressing in the Code of Ethics, will be identified and clarified by the risk assessment which is underway in the Police (see recommendation xii above). As regards the second part of the recommendation, GRECO considers that it has been fully implemented thanks to the publication of the Code in the Official Gazette, and the relevant websites.
78. GRECO concludes that recommendation xiii remains partly implemented.

Recommendation xiv

79. *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.*
80. GRECO recalls that this recommendation was partly implemented. Even though ethics and integrity matters had been included as a mandatory subject into various stages of initial and in-service training delivered by the Police Academy, the full implementation of this recommendation was contingent on the revision the Code of Ethics for police officers.
81. The Croatian authorities report that the Police Academy will include the contents of the new Code of Ethics for Police Officers, and the future handbook, in the curricula of education for the initial training, university-level education, continuing professional development, vocational training and specialisation of police officers. The Police Academy's Service for Lifelong Education will familiarise police officers with the Code of Ethics, and in doing so, give them examples of situations in which police officers may find themselves in performing their duties. The authorities further provide that the

¹⁶ Shortly prior to the adoption of this report, the Croatian authorities provided that a Manual of Ethical Behaviour of Police Officers was published on the Ministry of the Interior's website (<https://mup.gov.hr/gradjani-281562/prituzbe/eticki-kodeks-policijnija-sluzbenika-290138/290138>), the content of which will be examined in the next compliance report.

content of the training programme will reflect the information collected from the comprehensive risk assessment which is underway.

82. GRECO takes note of the authorities' intention to use the new Code of Ethics, as supplemented by a handbook which will contain practical guidance, in future initial and in-service training of police officers. It expects that, as admitted by the authorities, such trainings will also be based on risks that will have been identified as a result of the comprehensive risk assessment of corruption prone areas and activities in the police.
83. GRECO concludes that recommendation xiv remains partly implemented.

Recommendation xv

84. *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.*
85. GRECO recalls that this recommendation was not implemented. No steps were taken to address concerns surrounding the lack of objectivity and transparency, including as regards the appointment of the Director General, Deputy and Assistant Directors General. While the number of women was slowly on the rise, no review had been carried out to look at opportunities for improving the representation of women in the police at all levels.
86. The Croatian authorities provide a one-page-and-a-half report containing a brief analysis of the appointment and selection procedure for managerial police officers in Slovenia, Germany and Austria, at the end of which they have concluded that the selection procedure for managerial police officers in Croatia does not substantially differ from similar procedures conducted in other European Union member States. In addition, they provide that the procedures for appointment and promotion of police officers are sufficiently standardised and that all the necessary actions have been taken in that regard. Thus, during this reporting period, a public competition has been held for the selection of the General Police Director, two internal competitions for the appointment of the Deputy General Director, an internal competition for the selection of an Assistant General Director - Head of the Department for Public Order and Safety, 20 internal competitions for the appointment of heads of police administration, and 69 internal competitions for the appointment of heads of police stations. Pursuant to the Police Act, five-member selection commissions were set up, comprising a representative from the ranks of managerial, senior, or junior police officers, a representative from the organizational unit responsible for human resources, and a representative from trade unions. The selection commissions conducted tests and interviews with candidates who applied for competitions. Each member of the selection commissions independently assessed each candidate. Based on the average score of all commission members, a grade was assigned to each individual candidate, and a ranking list was compiled based on the number of points for each candidate. Candidates who scored the highest number of points were selected for each managerial position. While the legality of decisions of

the Ministry of the Interior in the procedures for the appointment of senior police officers may be appealed against before the Civil Service Committee, none of the unsuccessful police officers have objected to the conduct of the procedure, the selection and appointment of successful candidates (as opposed to previous competitions and respective appeals).

87. As regards the representation of women, the authorities point out that the Ministry of the Interior has adopted an “Action Plan for the Promotion and Establishment of Gender Equality for the Period from 2023 to 2027”. The objectives of the Action Plan are to address existing gender inequalities among police officers, achieve balanced participation of women and men in decision-making processes, promote gender equality, eliminate gender stereotypes in the workplace, and raise awareness among police officers of the need to eliminate all forms of violence. The Action Plan includes measures to be taken¹⁷, persons/entities responsible for them and key performance indicators. The Action Plan has been published on the website of the Ministry of the Interior¹⁸, and an annual implementation report is to be prepared by the Ministry of the Interior’s Gender Equality Coordinate. The authorities ensure that all position be equally accessible to both male and female police officers. Gender equality is also promoted in calls for enrolment in various levels of education. The table below presents a breakdown of personnel, by gender, in the Police between 2021 and 2023.

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Workforce in the Police						
Managerial police officers	3,955	560 (12%)	3,564	577 (13.93%)	3,403	561 (14.15%)
Senior police officers	2,878	1,065 (27%)	3,215	1,182 (26.88%)	3,320	1,309 (28.27%)
Junior police officers	9,660	2,613 (21.29%)	9,591	2,581 (21.20%)	9,169	2,571 (21.89%)
Total	16,493	4,238 (20.44%)	16,370	4,340 (20.95%)	15,892	4,441 (21.84%)

88. GRECO takes notes that the authorities have assessed and compared the legal framework of certain countries in relation to the appointment and promotion processes within the police, while it would have been desirable that the authorities had also taken into consideration GRECO’s findings and recommendations made in respect of those countries. It notes that appointments and promotions have been made based on competitive procedures, resulting in the candidate with the highest score being appointed/promoted to a vacant position. It also welcomes that the Ministry of Interior

¹⁷ Some of the proposed measures relate to: giving priority to the under-represented gender in case there are several applicants who meet the vacancy requirements, carrying out a public campaign to encourage the employment of women in the Police, carrying out of analysis regarding the proportion of women and men in managerial position once every two years, ensuring gender balance when setting up working groups and expert commissions, organising seminars for managerial staff within the Ministry of Interior for the implementation of the gender equality policy, ensuring that gender equality is promoted during the adoption of legal acts, considering good practices in the area of gender equality, etc.

¹⁸ <https://mup.gov.hr/istaknute-teme/nacionalni-programi-i-projekti/nacionalne-strategije/ravnopravnost-spolova-165963/165963>

has adopted an action plan to promote gender equality, which also applies to the Police, and welcomes the measures proposed therein. GRECO expects that the implementation of those measures will lead to an increased representation of women in the Police at all levels. In these circumstances, it considers that this recommendation has been dealt with in a satisfactory manner.

89. GRECO concludes that recommendation xv has been dealt with in a satisfactory manner.

Recommendation xvi

90. *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.*
91. GRECO recalls that this recommendation was not implemented. Initial steps for the conduct of a study concerning the activities of police officers after leaving the police had been taken.
92. The Croatian authorities report that the University of Applied Sciences in Criminal Investigation, in cooperation with the Human Resources Department and the General Police Directorate, is conducting a study on the activities of police officers after they leave the police. To date, the research methodology and the target group have been defined, questionnaires are being prepared, and the survey details are being elaborated.
93. GRECO takes note of the positive steps taken by the authorities to conduct a study concerning the activities of the police officers after they leave the police. It hopes that the study will be completed in the future and that its findings will inform the authorities about whether or not they should develop any post-employment restrictions.
94. GRECO concludes that recommendation xvi has been partly implemented.

Recommendation xvii

95. *GRECO recommended that a requirement be established for police staff to report integrity related misconduct they come across in the service.*
96. GRECO recalls that this recommendation was not implemented.
97. The Croatian authorities provide that Articles 111 and 112 of the new Civil Servants Act, published in Official Gazette no. 155/23¹⁹, prescribe several forms of minor and serious misconduct, including non-compliance with the Code of Ethics for civil servants. Under Article 111 (11) of the Civil Servants Act, “failure to submit a written proposal to initiate proceedings due to a violation of official duty, that is failure to inform the head of the body about a violation of official duty by a subordinate civil servant” is considered a minor violation of official duties. Article 1 (3) of the Police Act provides that the regulations governing civil servants apply to police officers, insofar as any issues are not

¹⁹ https://narodne-novine.nn.hr/clanci/sluzbeni/2023_12_155_2358.html

regulated by the Police Act. The authorities thus argue that the obligation on civil servants to report integrity related misconduct is also applicable to police officers. In addition, they report that future amendments to the Police Act, which are planned for 2024-2025, will expressly provide for the obligation of police officers to report inappropriate forms of behaviour that violate integrity.

98. GRECO recognises the efforts made by the authorities towards the implementation of this recommendation. It expects that the future amendments to the Police Act will provide for an express requirement for police staff to report integrity related misconduct that they come across in order to consider this recommendation fully complied with.
99. GRECO concludes that recommendation xvii has been partly implemented.

III. CONCLUSIONS

100. **In view of the foregoing, GRECO concludes that Croatia has implemented satisfactorily or dealt with in a satisfactory manner six of the seventeen recommendations contained in the Fifth Round Evaluation Report.** The remaining eleven recommendations have been partly implemented.
101. More specifically, recommendations iv, vi, viii, ix, xi and xv have been implemented satisfactorily, recommendations i, ii, iii, v, vii, x, xii, xiii, xiv, xvi and xvii have been partly implemented.
102. With respect to top executive functions, positive developments are visible on various fronts. A code of conduct for persons with top executive functions has been adopted, the supervision of which has been entrusted to a Council for the Implementation of the Code of Conduct for State Officials in the Executive Bodies. Certain obligations will be introduced on how persons with top executive functions are to engage with lobbyists and third parties who seek to influence governmental legislative and other activities and. Persons with top executive functions have been provided with briefings on integrity issues in 2023. Special advisers and person in an advisory capacity, whose details have been published online, are required to sign a declaration of interests and incompatibility on appointment, which imposes certain obligations on them regarding conflicts of interest and the use of confidential information. The Information Commissioner's powers have been strengthened to ensure the enforcement of his/her decisions. The Prevention of Conflicts of Interest Act has introduced a requirement for the *ad hoc* disclosure of conflicts of interests by persons with top executive functions, who have been further obliged to submit annual declarations of assets. In turn, the Commission for the Resolution of Conflicts of Interest has been empowered to request officials to provide evidentiary documents necessary for the verification of declarations of asset. Members of the Government no longer enjoy immunity against the *ex officio* prosecution of corruption-related offences. That said, more efforts are required to implement certain outstanding recommendations relating, in particular, to the need: to carry out the integrity vetting of special advisers; to disclose sufficient information about

meetings that persons with top executive functions have with lobbyists and third parties to the public; to broaden the scope of post-employment restrictions applicable to persons with top executive function; to clarify the proportionality of sanctions for violations under the Prevention of Conflicts of Interest Act; and to ensure that the recently adopted Code of Conduct is accompanied with appropriate guidance and counselling tools/mechanisms.

103. As regards law enforcement agencies, there has been tangible progress towards the implementation of the outstanding recommendations. It is welcomed that the practise of paying fines directly in cash to police officers has been discontinued since July 2022 thanks to the introduction of the possibility of making electronic payment thereof. Work is underway for carrying out a comprehensive risk assessment of corruption prone areas and activities in the police, which will lead to the adoption of a Strategy for Integrity and Prevention of Corruption in the Police. A new Code of Ethics for police officers has entered into force in December 2023, which has been made public. Efforts are underway to produce a handbook containing practical examples and illustrations, which will subsequently be used in the organisation of initial and in-service training of police officers on ethics and integrity matters. A study has commenced concerning the activities of police officers after they leave the police, and the authorities intend to introduce in the Police Act an express requirement for police officers to report integrity related misconduct that they come across in the service.
104. In view of the above, GRECO concludes that Croatia is not in sufficient compliance with the recommendations contained in the Fifth Round Evaluation Report within the meaning of Rule 31 revised *bis*, paragraph 10 of the Rules of Procedure. GRECO therefore decides to apply Rule 32 revised, paragraph 2 (i) and asks the Head of delegation of Croatia to provide a report on the progress in implementing the outstanding recommendations (i.e. recommendations i-iii, v, vii, x and xii-xvii) by 31 March 2025.
105. In addition, in accordance with Rule 32 revised, paragraph 2, sub-paragraph (ii.b), GRECO invites the President of the Statutory Committee to send a letter – with a copy to the Head of delegation of Croatia – to the Permanent Representative of Croatia to the Council of Europe, drawing attention to the non-compliance with the relevant recommendations and the need to take determined action with a view to achieving further tangible progress as soon as possible.
106. 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.