Franet National contribution to the Fundamental Rights Report 2024

Croatia

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1. Impact of the cost-of-living crisis and rising poverty in the EU

1.1 Legal measures impacting on vulnerabilities of persons affected by the rising costs of living and energy.

According to the information obtained by the Ministry of Labour, Pension System, Family and Social Policy, ¹ the Social Welfare Act² as the fundamental law governing the social welfare system in the Republic of Croatia recognises the needs of various society stakeholders and stipulates a variety of social welfare beneficiaries.

Besides the fact that benefits shortand services in the social welfare system may be granted to the stipulated social welfare beneficiaries, social services and benefits may be granted to all persons in need of social protection, provided that they meet the stipulated conditions for each compensation and service of the Social Welfare Act.

In the part related to rising energy costs, the Government introduced compensation for vulnerable energy buyers. The right to compensation for vulnerable energy buyers is given to a single person or a household who qualifies for the status of vulnerable energy buyers, as prescribed by the energy sector regulations. The decision granting the beneficiary the right to compensation for vulnerable energy buyers shall stipulate the following:

- 1. status of the vulnerable energy buyer;
- 2. recognition of the right to compensation for vulnerable energy buyers of energy products in a specific amount or a specific type of scope of rights belonging to the beneficiary concerning the defined status; and
- 3. determining how to participate in the settlement of energy costs or how to pay compensation for vulnerable energy buyers.

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¹ Ministry of Labour, Pension System, Family and Social Policy (*Ministarstvo rada, mirovinskog sustava, obitelji i socijalne politike*), email correspondence, 21 September 2021.

² Croatia, Social Welfare Act (*Zakon o socijalnoj skrbi*), 1 July 2023.

Under the Regulation on Criteria for Acquiring the Status of Vulnerable Energy Buyers from Networked Systems,³ the status of a vulnerable energy buyer may be held by the end consumer on the networked system from the household category who is a beneficiary of the guaranteed minimum benefit, a household member of a beneficiary of the guaranteed minimum benefit, a beneficiary of a personal disability or lives in a household with a beneficiary of an individual disability.⁴

The Regulation on Amendments to the Regulation on Criteria for Acquiring the Status of Vulnerable Energy Buyers from Networked Systems⁵ from 2022 extended the circle and number of persons who can achieve the status of vulnerable energy buyers from networked systems to beneficiaries of the national compensation for the elderly, household members of beneficiaries of the national compensation for the elderly, beneficiaries of unemployment benefit for war veterans and their family members, persons living in a household with beneficiaries of unemployment benefit for war veterans and their family members, beneficiaries of monetary compensation for civil war victims and persons living in a household with beneficiaries of monetary compensation for civil victims from the Homeland War. The same Regulation⁶ also stipulates that the status of a vulnerable energy buyer can be achieved by the beneficiary of a personal disability who is not provided with accommodation or organised housing services. Based on the established status, the beneficiary is entitled to co-finance the costs of electricity, gas and/or heat when paying the bill for energy costs in the branches of the Financial Agency on a monthly basis until the decision of the Croatian Social Work Institute determines that the right to compensation for a vulnerable energy buyer is terminated. Furthermore, the Regulation on the Monthly Amount of Compensation for Vulnerable Energy Buyers, the Manner of Participation in

³ Croatia, Regulation on Criteria for Acquiring the Status of Vulnerable Energy Buyers from Networked Systems (*Uredba o kriterijima za stjecanje statusa ugroženih kupaca energije iz umreženih sustava*), 3 September 2015.

⁴ Croatia, Regulation on Criteria for Acquiring the Status of Vulnerable Energy Buyers from Networked Systems (*Uredba o kriterijima za stjecanje statusa ugroženih kupaca energije iz umreženih sustava*), 3 September 2015.

⁵ Croatia, Regulation on Amendments to the Regulation on Criteria for Acquiring the Status of Vulnerable Energy Buyers from Networked Systems (<u>Uredba o izmjenama i dopuni Uredbe o kriterijima za stjecanje statusa ugroženih kupaca energije iz umreženih sustava</u>), 9 March 2022.

⁶ Croatia, Regulation on Amendments to the Regulation on Criteria for Acquiring the Status of Vulnerable Energy Buyers from Networked Systems (<u>Uredba o izmjenama i dopuni Uredbe o kriterijima za stjecanje statusa ugroženih kupaca energije iz umreženih sustava</u>), 9 March 2022.

the Payment of Energy to Beneficiaries of the Compensation, and the Conduct of the Croatian Social Work Institute⁷ stipulate that the beneficiary of the right to compensation for vulnerable energy consumers is entitled to co-finance the costs of electricity, gas and/or thermal energy in a monthly amount up to a maximum of 26.54 EUR per month, and *exceptionally up to a maximum of 70.00 EUR* until 31 March 2024.⁸

The right to a housing allowance shall be granted to beneficiaries of the guaranteed minimum benefit, except for homeless persons accommodated in overnight stays, shelters or in organised housing, victims of domestic violence and the victims of human trafficking who have been granted accommodation in crises. Housing costs as per the Social Welfare Act⁹ relate to rent, utility charges, heating costs, water services and costs incurred because of efforts to increase the energy efficiency of buildings. Local self-government units are obliged to recognise the right to housing costs to beneficiaries of the guaranteed minimum benefit. The right to an allowance for housing costs of local self-government units shall be recognised for 30% of the guaranteed minimum benefit granted to a single person or a household. Where housing costs are less than 30% of the guaranteed minimum benefit, the right to housing costs allowance shall be recognised for costs. The local self-government unit or the City of Zagreb may wholly or partially pay the housing costs directly in the name and on behalf of the beneficiary of the guaranteed minimum benefit.

Moreover, given the rising costs of living, the Government at its session held on 22 December 2022, adopted the Decision on the Payment of a One-Time Monetary Benefit to Beneficiaries of Social Welfare Rights to Mitigate the Consequences of Rising

⁷ Croatia, Regulation on the Monthly Amount of Compensation for Vulnerable Energy Buyers, the Manner of Participation in the Payment of Energy to Beneficiaries of the

Compensation, and the Conduct of the Croatian Social Work Institute (<u>Uredba o</u> <u>mjesečnom iznosu naknade za ugroženog kupca energenata, načinu sudjelovanja u podmirenju troškova energenata korisnika naknade i postupanju Hrvatskog zavoda za</u>

socijalni rad), 16 March 2023.

⁸ Croatia, Regulation on the Monthly Amount of Compensation for Vulnerable Energy Buyers, the Manner of Participation in the Payment of Energy to Beneficiaries of the Compensation, and the Conduct of the Croatian Social Work Institute (*Uredba o mjesečnom iznosu naknade za ugroženog kupca energenata, načinu sudjelovanja u podmirenju troškova energenata korisnika naknade i postupanju Hrvatskog zavoda za socijalni rad*), 16 March 2023.

⁹ Croatia, Social Welfare Act (<u>Zakon o socijalnoj skrbi</u>), 1 July 2023.

Costs of Living¹⁰ of 132.72 EUR, for beneficiaries of the right to compensation for vulnerable energy buyers and the right to the assistance and care allowance, to which this right was granted on the date of entry into force of the decision on 22 December 2022.

Furthermore, at its session held on 16 March 2023, the Government adopted the Decision on the Payment of a One-Time Monetary Benefit to Beneficiaries of Social Welfare Rights and the Care System for Croatian Homeland War Veterans to Mitigate the Consequences of Rising Costs of Living¹¹ of 150.00 EUR, for beneficiaries of the right to compensation for vulnerable energy buyer and the right to the assistance and care allowance in the social welfare system, to which this right was granted until the date of entry into force of the decision on 1 April 2023.

In addition, Ministry of Labour, Pension System, Family and Social Policy reports that the Government of the Republic of Croatia, at its session held on 14 September 2023, brought the Decision on the Payment of a One-Time Monetary Benefit to Beneficiaries of Social Welfare Rights, Pension System and Care System for Croatian Homeland War Veterans to Mitigate the Consequences of rising Costs of Living¹² in the amount of EUR 150,00, for:

- beneficiaries of the right to compensation for vulnerable energy buyers who are beneficiaries of this right between 1 to 31 August 2023;
- of the right to an assistance and care allowance in the social welfare system who are beneficiaries of this right between 1 to 31 August 2023; and

¹⁰ Croatia, Decision on the Payment of a One-Time Monetary Benefit to Beneficiaries of Social Welfare Rights to Mitigate the Consequences of Rising Costs of Living (<u>Odluka o isplati jednokratnog novčanog primanja korisnicima prava u sustavu socijalne skrbi radi ublažavanja posljedica rasta troškova života</u>), 22 December 2022.

¹¹ Croatia, Decision on the Payment of a One-Time Monetary Benefit to Beneficiaries of Social Welfare Rights and the Care System for Croatian Homeland War Veterans to Mitigate the Consequences of Rising Costs of Living, (Odluka o isplati jednokratnog novčanog primanja korisnicima prava u sustavu socijalne skrbi i sustavu skrbi o hrvatskim braniteljima iz Domovinskog rata radi ublažavanja posljedica rasta troškova života), 16 March 2023.

¹² Croatia, Decision on the Payment of a One-Time Monetary Benefit to Beneficiaries of Social Welfare Rights, Pension System and Care System for Croatian Homeland War Veterans to Mitigate the Consequences of rising Costs of Living (<u>Odluka o isplati jednokratnog novčanog primanja korisnicima prava u sustavu socijalne skrbi, mirovinskome sustavu i sustavu skrbi o hrvatskim braniteljima iz Domovinskog rata radi ublažavanja posljedica rasta troškova života), 14 September 2023.</u>

 beneficiaries of the guaranteed minimum benefit from 1 to 31 August 2023, and who are no beneficiaries of the right to compensation for vulnerable energy buyers in the same period.

Additionally, a one-time cash receipt will be paid to the beneficiary of the right to the assistance and care allowance earned in the pension system following pension and disability insurance regulations that were valid until 31 December 1998 and found in the payment for September 2023. At the same time, a one-time cash receipt will also be paid to:

- beneficiaries who, for the period from 1 to 31 August 2023, were granted the right to compensation for unemployed war veterans and their family members according to a regulation governing the rights of Croatian Homeland War Veterans and their family members, and who are not entitled to compensation for vulnerable energy buyers for the same period
- beneficiaries who, for the period from 1 to 31 August 2023, were entitled to financial compensation for civil war victims according to a regulation governing the rights of civil victims of the Homeland War and who are not entitled to compensation for vulnerable energy buyers for the same period; and
- war veterans who, on 31 August 2023, were registered in the Register of Unemployed Persons at the Croatian Employment Service and who are not beneficiaries of the guaranteed minimum benefit or the allowance for unemployed war veterans and their family members.

Additionally, according to information obtained by the Office of the Deputy Prime Minister for Social Affairs and Human Rights, ¹³ the Croatian Parliament passed the Personal Assistance Act ¹⁴ and amended the Social Welfare Act. ¹⁵ The Personal Assistance Act will ensure a higher degree of social inclusion for persons with disabilities, prevent institutionalisation, and support children with developmental disabilities during the educational process. The Act defines the service of personal assistance, the manner of performing the service, the financing of the service, the service providers and other issues relevant to the service of personal assistance. Personal assistance includes the service of a personal assistant, communication mediator and video companion. The Act also regulates support during the educational

¹³ Office of the Deputy Prime Minister for Social Affairs and Human Rights (*Ured potpredsjednice Vlade Republike Hrvatske*), email correspondence, 20 September 2023.

¹⁴ Croatia, Personal Assistance Act (*Zakon o osobnoj asistenciji*), 28 June 2023.

¹⁵ Croatia, Social Welfare Act (*Zakon o socijalnoj skrbi*), 1 July 2023.

process to students with developmental disabilities, i.e. support by teaching assistants and professional communication mediators, conditions for recognition of support, competence to decide on the recognition of support, supervision of support provision and other issues vital for the provision of support during the educational process. Moreover, with the Act's entry into force, the number of users of personal assistance services is expected to expand, and it is estimated that this service could be achieved in the next period by approximately 15,000 persons with disabilities. Moreover, the number of hours of service use is increased, as well as the total price of an hour of personal assistance service provided. The conditions under which the service can be provided are clearly defined, and the sustainability of the service is prescribed by a continuous increase in financial resources in the state budget.

Amendments to the Social Welfare Act¹⁶ have increased the number of grounds for the recognition of the right to the status of parent caretaker or caretaker. They also extended the circle of persons to whom the status as parent caretaker may be granted to a spouse or non-spouse and the life or informal life partner of parents of a child with developmental disabilities. Additionally, allowances for the status of parent carers or carers were increased.¹⁷

On 16 November 2023, the Ministry of Labour, Pension System, Family and Social Policy published the "Consultation on the proposal for a decision on the basis for calculating the guaranteed minimum benefit" on the public consultation platform e-Savjetovanje. As per the decision that will enter into force on 1 January 2024, the guaranteed minimum benefit will be increased by EUR 17.28 to EUR 150.00. As the Ombudsperson's Office in their comment published on the public consultation portal on 30 November 2023 explains, in the past almost two years before that proposed decision, there has been no change in the baseline, which certainly does not follow the increase in the cost of living, inflation and other economic factors that should be taken into account when determining the amount of social benefits. Moreover, it is unknown which parameters were taken into account in determining the increase of EUR 17.28 thus suggesting these parameters should be stated in the statement of reasons. In her work, the Ombudsperson continuously receives complaints from citizens that mostly relate to too low amounts of the guaranteed minimum benefit, which prevents them from meeting the most basic needs of life and from ensuring a dignified life. Therefore,

¹⁶ Croatia, Social Welfare Act (*Zakon o socijalnoj skrbi*), 1 July 2023.

¹⁷ Croatia, Social Welfare Act (<u>Zakon o socijalnoj skrbi</u>), 1 July 2023.

¹⁸ Croatia, Consultation on the proposal for a decision on the basis for calculating the guaranteed minimum benefit (*Savjetovanje o Prijedlogu odluke o osnovici za izračun zajamčene minimalne naknade*), 16 November 2023.

in a report to the Croatian Parliament for 2022, the Ombudsperson recommended to the Ministry of Labour, Pension System, Family and Social Policy to increase the basis for calculating the guaranteed minimum benefit. In addition, the Ombudsperson's Office reminds the ministry that according to the Croatian Bureau of Statistics, the inflation rate in 2022 was 13.1%, and the highest annual price increase was in the categories of costs related to natural living needs, i.e. in the categories of food and non-alcoholic beverages (19%) and housing, water, electricity, gas and other fuels (16%). In addition, scientific circles have increasingly indicated that the inflation rate does not have the same effect on all citizens. 19 Looking at the effects of inflation on households according to their income, the Institute of Economics showed that over the 20-year period ending in 2021, i.e. before pronounced inflation in 2022, the aboveaverage price increases had the mentioned categories of food and utilities for which poorer households are more singled out in the consumption structure. The survey showed that the price of a consumer basket for 10% of the poorest households is as high as 10.8% higher than for 10% of the wealthiest, i.e. that inflation affects the poorest households more and more severely. Therefore, while the guaranteed minimum benefit helps to address some of the most basic needs, it does not allow for To have this effect, the benefit should be linked to the at-risk-ofexiting poverty. poverty threshold or minimum wage and take into account the inflation rate applicable to poor households.²⁰ As a consequence, the Ombudsperson's Office proposes to increase the base for the calculation of the benefit.²¹

As a further measure, the Government extended the regime of write-off of receivables and fees for electricity and heat, use of the A11 Zagreb-Sisak motorway without paying tolls and expanded free transport by train for the area affected by the earthquake in the Banija region for the period January to June 2023.²²

¹⁹ Croatia, Consultation on the proposal for a decision on the basis for calculating the guaranteed minimum benefit (*Savjetovanje o Prijedlogu odluke o osnovici za izračun zajamčene minimalne naknade*), 16 November 2023.

²⁰ Croatia, Consultation on the proposal for a decision on the basis for calculating the guaranteed minimum benefit (<u>Savjetovanje o Prijedlogu odluke o osnovici za izračun zajamčene minimalne naknade</u>), 16 November 2023.

²¹ Croatia, The Institute of Economics Zagreb, What is inflation for the rich and what is it for the poor in Croatia? (*Kolika je inflacija bogatima, a kolika siromašnima u Hrvatskoj?*), 22 February 2023.

²² Office of the Deputy Prime Minister for Social Affairs and Human Rights (*Ured potpredsjednice Vlade Republike Hrvatske*), email correspondence, 20 September 2023.

Since 7 March 2022, the Government has amended the Regulation on Excise Duty on Energy Products and Electricity²³ 11 times to reduce the excise duty on diesel fuel and unleaded motor gasoline as measures to mitigate increases in energy prices. The amendments in November 2022²⁴ further reduced the excise duty on fuel oil by 0,26 HRK per litre of fuel oil, which is vital for citizens who use this energy for heating and the manufacturing industry that increasingly uses fuel oil as an alternative to gas.

Part of the final gas supply price for household end consumers and non-household end consumers with annual gas consumption of up to 10 GWh from 9 March 2022 shall be subsidised.²⁵

According to information obtained by the Office for Human Rights and Rights of National Minorities of the Government of Croatia, ²⁶ reducing the risk of poverty and social exclusion and reducing social inequalities is among the social policy priorities by 2030, and promoting equality and equal opportunities are a horizontal priority of public policies. As per the implementation of objective 5 of the National Plan for the Protection and Promotion of Human Rights and Anti-Discrimination, ²⁷ through investment in preventive activities, aims to strengthen the action of critical stakeholders to combat unequal treatment and support victims of discrimination, which are the long-term priorities of the National Development Strategy 2030. ²⁸ By the end of 2027, within the planned projects financed from EU sources, a package of research and analysis activities will be carried out, evaluating the effectiveness of the existing system for protection against discrimination and existing policies, investigating multiple and structural discrimination as well as discrimination in access to goods and

²³ Croatia, Regulation on Excise Duty on Energy Products and Electricity (*Uredba o visini trošarine na energente i električnu energiju*), 30 June 2023.

²⁴ Croatia, Regulation on Amendments to the Regulation on Excise Duty on Energy Products and Electricity (<u>Uredba o izmjeni uredbe o visini trošarine na energente i električnu energiju</u>), 24 November 2023.

Office of the Deputy Prime Minister for Social Affairs and Human Rights (*Ured potpredsjednice Vlade Republike Hrvatske*), email correspondence, 20 September 2023.

²⁶ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

²⁷ Croatia, National Plan for the Protection and Promotion of Human Rights and Anti-Discrimination for the Period to 2027 (*Nacionalni plan zaštite i promicanja ljudskih prava i suzbijanja diskriminacije za razdoblje do 2027. godine*), 30 March 2023.

²⁸ Croatia, National Development Strategy 2030 (<u>Nacionalna razvojna strategija do 2030.</u> godine), 5 February 2021.

services and ensuring the availability of data on inequalities in Croatian society. In the context of vulnerable groups, as well as discrimination based on financial means, in 2023, the Office for Human Rights and Rights of National minorities conducted an online seminar for social workers on non-discrimination and protection of the rights of particularly vulnerable groups and is actively involved in improving the living conditions of the Roma national minority.²⁹

Furthermore, on 1 April 2023, amendments to the International and Temporary Protection Act³⁰ entered into force, enabling persons granted international protection, in addition to the previous two years of the right to accommodation, provided that they do not have the funds or assets to provide maintenance, with the new amendments the right to extend temporary use of the housing unit owned by the Republic of Croatia for another two years.

As per information obtained by the Ombudsperson's Office, amendments to the Act on National Compensation for the Elderly are currently in parliamentary procedure—and should be in force as of 1 January 2024. As per these amendments, the amount of the national compensation should be raised, its payment to the address of the beneficiary by post should be enabled, certain conditions for exercising the right to a national allowance, namely the reduction of the duration of residence conditions should be alleviated, the income threshold should be increased, exercising the right to a national allowance in cases where proceedings for termination should be enabled, as well as the determination of a nullity or annulment of a lifelong maintenance contract respectively death support contract should be enabled.³¹

Furthermore, amendments to the Pension Insurance Act³² changed the pension factor to calculate family pensions for one family member from 0.7 to 0.77 and increased all family pensions by 10%. A widow or widower as a beneficiary can also use a part of the family pension if they are the sole beneficiary of the family pension, if they have reached the age of 65 and if the total amount of pensions from compulsory pension

²⁹ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

³⁰ Croatia, Act on Amendments to the International and Temporary Protection Act (<u>Zakon o izmjenama i dopunama Zakona o međunarodnoj i privremenoj zaštiti</u>), 17 March 2023.

³¹ Office of the Ombudsperson (*Ured pučke pravobraniteljice*), email correspondence, 2 October 2023.

³² Croatia, Act on Amendments to the Pension Insurance Act (*Zakon o izmjenama i dopunama Zakona o mirovinskom osiguranju*), 7 October 2022.

insurance in the Republic of Croatia does not exceed the amount of 80 current pension values. A part of the family pension shall be set at 27% of the corresponding amount for one family member.³³

As the Office of the Ombudsperson for Children explains, they receive frequent complaints regarding living costs and affordability and security of housing and energy, including during 2023. In the complaints, the complainants describe a lack of income, inability to provide basic food for sustaining children, and especially issues in providing housing and adequate housing conditions for children. Namely, there is no national social housing strategy at the state level, and at the local level, only some cities and municipalities allocate apartments to socially vulnerable citizens. However, the amount of available accommodation does not meet the needs of citizens, and their condition does not ensure the safety and dignity of children's housing. Therefore, the Office of the Ombudsperson for Children stresses the need to devise an effective strategy to provide adequate housing for families with children at risk of poverty and to assist the state in those local self-government units that do not have the budget to ensure social housing.³⁴

Moreover, even though a child budget mechanism has been introduced in Croatia to monitor investment in children, it does not show actual investment in children at the national or local level. Regarding the EU Child Guarantee, the Office of the Ombudsperson for Children participated in the Working Group to Adopt the National Action Plan for Implementing the EU Child Guarantee. However, not all of her proposals were accepted. Thus, the office expects these European and national documents to help protect the rights of children facing poverty. Also, the Office of the Ombudsperson for Children proposed that the Social Welfare Act prescribe the social service mentoring for children to help children get out of family poverty. However, the proposal was not considered.³⁵

³³ Croatia, Act on Amendments to the Pension Insurance Act (*Zakon o izmjenama i dopunama Zakona o mirovinskom osiguranju*), 7 October 2022.

³⁴ Office of the Ombudsperson for Children (*Ured pravobraniteljice za djecu*), email correspondence, 25 September 2023.

³⁵ Office of the Ombudsperson for Children (*Ured pravobraniteljice za djecu*), email correspondence, 25 September 2023.

1.2 Policy measures impacting on vulnerabilities of persons affected by the rising costs of living and energy.

According to the Ministry of Labour, Pension System, Family and Social Policy, ³⁶ two national strategic documents related to, among others, poverty, vulnerable groups, homeless people were adopted during the implementation period of the European strategic documents: The National Plan for Combating Poverty and Social Exclusion for the period 2021-2027³⁷ and National Plan for the Development of Social Services for the period 2021-2027.³⁸ Both national plans have corresponding action plans.

According to the Office of the Deputy Prime Minister for Social Affairs and Human Rights, ³⁹ the fourth package of government measures to help citizens and the economy was adopted in March 2023 and was in force until 30 September 2023. The same electricity prices as in the previous period were maintained. The value of the measure for households is 82 million EUR. The package also covers the maintenance of gas prices until 1 April 2024 for households, non-profit organisations and the public sector. The value of the measure is 95 million EUR. The application of a reduced VAT rate of 5% is extended until 31 March 2024 for supplies of natural gas (and related charges), heating from heat stations (and related expenses), for supplies of firewood, pellets, briquettes and chips. The unit price of thermal energy for all heating systems remains unchanged for the duration of the Regulation. The price per kWh in central (CTS) and closed (TSG) heating systems will remain the same. This measure encompasses 159 thousand customers (e.g. in Zagreb, Osijek, Sisak, Zaprešić, Velika Gorica), and the value of this measure is 267 million EUR. A one-off allowance was paid

³⁶ Ministry of Labour, Pension System, Family and Social Policy (*Ministarstvo rada, mirovinskog sustava, obitelji i socijalne politike*), email correspondence, 21 September 2021.

³⁷ Croatia, Ministry of Labour, Pension System, Family and Social Policy (*Ministarstvo rada, mirovinskog sustava, obitelji i socijalne politike*), National Plan for Combating Poverty and Social Exclusion for the period 2021-2027 (*Nacionalni plan borbe protiv siromaštva i socijalne isključenosti za razdoblje od 2021. do 2027. godine*).

³⁸ Croatia, Ministry of Labour, Pension System, Family and Social Policy (*Ministarstvo rada, mirovinskog sustava, obitelji i socijalne politike*), National Plan for the Development of Social Services for the Period 2021-2027, (*Nacionalni plan razvoja socijalnih usluga za razdoblje od 2021. do 2027. godine*).

³⁹ Office of the Deputy Prime Minister for Social Affairs and Human Rights (*Ured potpredsjednice Vlade Republike Hrvatske*), email correspondence, 20 September 2023.

for 696,000 pensioners. 69,000 persons as vulnerable energy buyers have the right to receive cost coverage for electricity, gas or thermal energy. The compensation for the procurement costs of firewood for households was extended to 20 per cent the price per cubic meter. This measure covers 35,000 beneficiaries. Priority in supply shall be given to beneficiaries of the guaranteed minimum benefit. A one-off allowance amounting to 100 EUR was paid for 60,000 unemployed persons. Recipients of child allowance received a special financial allowance was provided for 128 thousand families of 230,000 children received a special financial allowance.⁴⁰

According to the information obtained by the Office for Human Rights and Rights of National Minorities, 41 since 2005, the Government of the Republic of Croatia establishes a commission for monitoring the implementation of national public policies for Roma. In the reporting period, the Commission for Monitoring the Implementation of the National Plan for Roma Inclusion (NPRI) for the period 2021-2027, has been acting by decision of the Government of the Republic of Croatia to monitor the implementation of the operational dimension of the NPRI. The chairman of the Commission is traditionally one of the deputy prime ministers of the Republic of Croatia. The deputy chairman is a representative of the Roma national minority in the Croatian Parliament, and the members of the Commission are from among the ranks of representatives of the competent state bodies and representatives of the Roma national minority in the Republic of Croatia. The tasks of the Commission shall be to systematically monitor and coordinate the implementation of the NPRI; propose measures to improve the implementation of the NPRI and the action plans; draw up recommendations, opinions, expert explanations and reports and guidance on the implementation of the NPRI; proposing amendments to the NPUR; monitoring the schedule and spending of funds for the implementation of the NPRI for which funds are allocated from the state budget; the allocation of funds to address the problems and difficulties of life of members of the Roma national minority. In June 2022, The Commission adopted new criteria for establishing financial assistance for improving the conditions and quality of life of members of the Roma national minority in the Republic of Croatia, which enabled a more precise and transparent allocation of budget funds. The new criteria also provide for the possibility to grant one-off financial assistance to disadvantaged natural persons. During 2023, four meetings of the Commission and five sessions of the Working Group of the Commission were held. In

⁴⁰ Office of the Deputy Prime Minister for Social Affairs and Human Rights (*Ured potpredsjednice Vlade Republike Hrvatske*), email correspondence, 20 September 2023.

⁴¹ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

2023, a total of 24,883.71 EUR (for benefits to citizens and households in kind) have been spent on the applications of 16 persons. To improve living conditions and housing care for members of the Roma national minority, the former Central State Office for Reconstruction and Housing Care (now the Ministry of Physical Planning, Construction and State Assets), in cooperation with representatives of the Office for Human Rights and Rights of National Minorities, a representative in the Croatian Parliament who also represents the Roma national minority, the Roma Union in the Republic of Croatia "KALI SARA", and other interested stakeholders, have been implementing the Annual Programme for Housing Care and Improvement of Living Conditions for Members of the Roma National Minority⁴² since 2019.

In 2019, the Annual Programme was implemented through two models: allocating household appliances or furniture and building materials. The Central State Office for Reconstruction and Housing made 889 decisions declaring beneficiaries entitled to the award of household appliances and furniture and 13 Commission decisions for building materials. The total amount of public procurement was set at 217,752.28 EUR. Experience and good practice in implementing the 2019 Annual Programme were used in preparing the 2020 Annual Programme. The annual programme focused on delivering household appliances and a set of six-element kitchens, while individual pieces of furniture - cupboards, beds, tables and chairs were left out. In 2020, 712 individual decisions were received for execution, while in addition to the initial 199,084.21 EUR in a separate position, the Central State Office for Reconstruction and Housing Care increased the previously secured funds by approximately 17,253.97 EUR to cover as many beneficiaries as possible.⁴³

The implementation of the 2021 Annual Programme for the improvement of living conditions of Members of the Roma National Minority for included the equipping of bathrooms respectively sanitary facilities with the delivery of necessary construction materials and sanitary equipment and the delivery of household appliances. To equip bathrooms/sanitary facilities, conducting a field inspection, preparing a study of equipping, and specifying the necessary material for each family house was essential. At the 7th meeting of the Working Group of the Commission for monitoring the

⁴² Croatia, Central State Office for Reconstruction and Housing Care (*Središnji državni ured za obnovu i stambeno zbrinjavanje*), Annual Programme for the Improvement of Living Conditions of Members of the Roma National Minority for 2023 (*Godišnji program unapređenja životnih uvjeta pripadnika romske nacionalne manjine za 2023. godinu*), 20 February 2023.

⁴³ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

implementation of the National Plan, held on 22 December 2021, the Working Group unanimously adopted criteria for scoring applications for the realisation of the right to improve the living conditions of members of the Roma national minority, drafted in cooperation with the Central State Office for Reconstruction and Housing, the Office for Human Rights and Rights of National Minorities and the Union of Roma in the Republic of Croatia "KALI SARA". Concerning the 2021 criteria, the documentation necessary to achieve points based on the disability or disability of a household member (certificate from the Register of Persons with Disabilities at the Croatian Institute of Public Health or certificate from the competent Social Welfare Centre proving the right to an allowance for assistance and care or personal disability) shall be specified and additional points shall be introduced for persons who are not beneficiaries of the annual programmes so far, to ensure that they receive as a matter of priority what they will apply for. According to the Commission's decisions for improving the living conditions of members of the Roma national minority received from the Office for Human Rights and Rights of National Minorities, the Central State Office for Reconstruction and Housing delivered the necessary building materials and sanitary equipment for 133 bathrooms. Two hundred thirty-five decisions were received for the delivery of white goods appliances, and all decisions received delivered the appliances concerned: 39 refrigerators, 13 wood stoves, 110 washing machines, ten electric stoves, 48 combined stoves and 15 solid fuel stoves (wood), and a total of 174,770.53 EUR was invested. 44 In 2022, the implementation of the Annual Programme for the improvement of living conditions of Members of the Roma National Minority continued. The annual programme was implemented through four models, two of which are new. As in previous years, the award of white appliances and the fitting out of bathrooms and sanitary facilities was carried out, while the newly prescribed models were the allocation of outdoor joinery and the fitting of floors. In the process of implementing the annual programme, 914 decisions were passed, of which 263 were for the award of appliances for household appliances, 411 decisions were passed for the award of joinery goods, 163 decisions were adopted for the furnishing of bathrooms, while 77 decisions were passed for the decoration of floors. 398,168.43 EUR was allocated for the implementation of 413 decisions, while the remaining decisions will be implemented in 2023, for which 1,327,008.00 EUR was allocated. 45 Compared to 2019, the implementation of the national strategic

⁴⁴ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

⁴⁵ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

framework aimed at the inclusion of members of the Roma national minority recorded a significant decrease (47%) in the rate of severe material deprivation of members of the Roma national minority, a reduction in the share of housing deprived persons as well as an increase in the percentage of population with access to domestic drinking water (14%) and a decrease in the rate of risk of poverty (7%) and a slight decline in the share of young people in the NEET status (4%). Progress made in reducing the rates of severe material and housing deprivation can be linked to the implementation of the 2021-2027 National Roma Inclusion Plan, i.e. measures and activities within the annual programme of improvement of living conditions of members of the Roma national minority through which members of the Roma national minority were provided with equipping bathrooms/sanitary facilities and delivery of white appliances from 2019 onwards. 46

According to information obtained by the Ombudsperson's Office, based on the decisions of the Government of the Republic of Croatia, one-off additions were paid to pensioners, and a one-off supplement to mitigate the consequences of inflation that should be delivered in October 2023 will cover the most comprehensive number of pensioners – about 720,000 of them. The allowance will be paid in four different amounts, depending on the pension amount – from 60 to 160 EUR. In addition to persons who have completed their pension in the Republic of Croatia and persons who have completed part of their pensionable years abroad, the supplement will include persons who receive their entire retirement from abroad and pensioners who work part-time. The fee for vulnerable energy buyers is 70 EUR, and in addition to electricity costs, gas and/or thermal energy costs are co-financed. On 14 September 2023, the Government adopted a new package of measures under which electricity prices remain the same for citizens, the economy and institutions as of 1 October 2023 and for the next six months. Beneficiaries of the guaranteed minimum benefit remain entitled to receive reimbursement for housing costs, utility charges, and heating and water services. It also provides for a one-off compensation of 150 EUR to alleviate rising living costs for vulnerable energy buyers. This includes beneficiaries of the national compensation for the elderly, beneficiaries of the guaranteed minimum benefit who are not beneficiaries of the allowance for vulnerable energy buyers, beneficiaries of the right to the allowance for assistance and care earned in the pension and social welfare system, unemployed war veterans and civil war victims. The fee for the procurement costs of firewood for households in the amount of 15% of the

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⁴⁶ Office for Human Rights and Rights of National Minorities of the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), email correspondence, 25 September 2023.

price per spatial meter is extended for 35,000 beneficiaries covered by this measure, and the beneficiaries of the guaranteed minimum benefit have priority in the supply.⁴⁷

During 2023, the Government continued to write off receivables for electricity and heat delivered to end consumers in earthquake-stricken areas where a disaster was declared. About 20% of the affected population of Sisak-Moslavina County respectively Banija region still depends on the water from wells, whose quality varies. Firefighters supply such households with water, but much of the wells are porous, so water gets lost in the ground. The Croatian Red Cross carries out well sanitations, and the priority is households not connected to public infrastructure and engaged in agriculture. Given the geological changes that have affected the availability of water from individual sources, as well as climate change, the construction of water structures is a long-term solution, so projects with earthquake-stricken areas have been included in the indicative list of projects for funding through the 2021-2026 National Recovery and Resilience Plan. The multiannual programme for the construction of utility water structures for the period up to 2030 is considered a priority for solving the problem of public water supply in Sisak-Moslavina County. These are projects of single water suppliers Sisak, Petrinja, Glina, Hrvatska Kostajnica, Topusko and Dvor. 48

Also, the governmental decision from February 2023 enables the financing of the rent for temporary accommodation to citizens whose real estate is marked as temporarily unusable and unfit for habitation and who are located in mobile housing units in Sisak-Moslavina County (in container settlements or mobile housing units adjacent to their houses). In March 2023, the Decision on Co-Financing of Housing Utility Costs was adopted, during temporary housing up to a maximum of 160 euros per month. In February 2023, the decision was adopted on one-off monetary aid for persons in temporary accommodation for earthquake victims, including persons in replacement accommodation, temporary accommodation in mobile housing units, i.e. containers or container settlements or collective accommodation organised by the regional (regional) or local self-government affected by the earthquake, in the amount of 265.45 EUR per person, and up to a maximum of 1,327.23 EUR per household.⁴⁹

⁴⁷ Office of the Ombudsperson (*Ured pučke pravobraniteljice*), email correspondence, 2 October 2023.

⁴⁸ Office of the Ombudsperson (*Ured pučke pravobraniteljice*), email correspondence, 2 October 2023.

⁴⁹ Office of the Ombudsperson (*Ured pučke pravobraniteljice*), email correspondence, 2 October 2023.

Table 1 – Promising practice

Promising practice	
Title (original language)	Inicijativa "Pravo svakog djeteta na školski obrok"
Title (EN)	"The Right of Every Child to a School Meal" Initiative
Organisation (original language)	N/A (Neformalna inicijativa četiri sveučilišne profesorice s Pravnog fakulteta Sveučilišta u Zagrebu, studija socijalnog rada - Olja Družić Ljubotina, Marijana Kletečki Radović, Ivana Dobrotić and Antonija Petričušić)
Organisation (EN)	N/A (Informal initiative - four University professors of the Faculty of Law, Social Work Study Centre, University of Zagreb - Professors Olja Družić Ljubotina, Marijana Kletečki Radović, Ivana Dobrotić and Antonija Petričušić)
Government / Civil society	Civil society - informal citizen initiative
Funding body	N/A
Reference (incl. URL, where available)	www.facebook.com/pravonaskolskiobrok
Indicate the start date of the promising practice and the finishing date if it has ceased to exist	2020 - present
Type of initiative	Informal citizen initiative
Main target group	Decision makers, Government
Indicate level of implementation: Local/Regional/National	National
Brief description (max. 1000 chars)	Four University of Zagreb professors started the Initiative in 2020. The Initiative is evidence-based from its start - every fifth child in Croatia lives at the risk of poverty and social exclusion, nearly 14000 children from social welfare households live in deep poverty. Quality nutrition for children is more difficult in single-parent families, families with three or more children, and in urban areas. Starting from this data, the professors went

Promising practice	
	on advocating the idea of a universal model of school meals for all children enrolled in primary schools guided by principles of equality and understanding quality nutrition in schools as a universal right regardless of the financial status of families, regional differences or financial capacities of LAs. Two years later, in October 2022, the Government adopted the proposal of free school meals for all children in primary schools and started legislative changes within the system. 73 million euros have been dedicated for this measure in 2023.
Highlight any element of the actions that is transferable (max. 500 chars)	It is primarily an advocacy action that shows it takes a change of perspective to start making systemic changes that in the end have a direct impact on the lives of approx. 310000 children and indirectly their families. That being said, it is possible to transfer these types of governmental measures to other countries and contexts.
Give reasons why you consider the practice as sustainable (as opposed to 'one off activities')	Being primarily an advocacy Initiative, it was successful in making the Government take responsibility for the issue, adopt the practice, and ensure funding and legislative changes to make it all happen. Now that obligatory school meals have been introduced as the pupils' right on a national scale, it would be hard for this or other governments in the future to withdraw the decision as that could be framed as an attack on children's rights.
Give reasons why you consider the practice as having concrete measurable impact	The measurable impact is the number of children fed every day in schools, and the number of meals prepared and issued therefore influencing the statistics on child malnourishment given in the first paragraph. The question of the nutritional quality of meals issued remains and has to be discussed in the future alongside ensuring infrastructural adaptations to school kitchens and staffing issues. With a universal approach and a complete solution for the nutrition of all students, the Initiative significantly contributed to erasing the stigma of poverty, as well as ensuring that no child at school remains hungry, which generally improves the health and development of children.

Promising practice	
Give reasons why you consider the practice as transferable to other settings and/or Member States?	The decision to introduce this practice in other Member States is a question of priorities to which each of the MSs tries to uphold. If the priorities of MSs are to uphold the standards of the Rights of the Child then having state-supported healthy and nutritious meals for pupils should be seen as an investment rather than a budgetary constraint.
Explain, if applicable, how the practice involves beneficiaries and stakeholders in the design, planning, evaluation, review assessment and implementation of the practice	In December 2022, the Croatian Parliament passed amendments to the Primary and Secondary School Education Act (Official Gazette, 151/2022) and introduced the measure of ensuring state funds for meals for primary school students - therefore, the requests made by the Initiative have been introduced in key legislation and will in the future be designed, implemented and assessed by the respected authorities such as the Ministry of Science and Education.
Explain, if applicable, how the practice provides for review and assessment	The described practice is now part of the legal framework for Primary Education and will be reviewed and assessed.

2. Threats to democratic values Protecting civic space, strengthening meaningful participation and the rights to freedom of association, peaceful assembly and expression

2.1 Major threats to democracy as reflected in national legal and political developments and the discourse at national level.

Table 2 – Challenges

Based on a scan of legislative and policy and other developments and the public discourse please identify **three major challenges** to democracy emerged in the course of 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
Attacks and threats to the safety of civil society organisations, human rights defenders and journalists	

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
Legal and administrative constraints, harassment, intimidation, and reprisals against civil society organisations, human rights defenders (including SLAPPs - strategic lawsuits against public participation)	
Lack of media freedom a/o media pluralism; disinformation (incl. online)	
Foreign interference	
Lack of (processes for) transparent, accountable, democratic and pluralistic participation in law and policymaking; incl. access to information	Croatia faces difficulties and challenges that impede the enjoyment of the right to public participation. The involvement of civil society organisations in decision-making and consultation processes is often more formal than substantive, 50 which weakens the opportunities for participation and has a negative impact on the quality of public policies. Human rights defenders state that the practice of appointing civil society organisations to working groups and advisory bodies is often non-transparent, while candidates selected through the Council for Civil Society Development are not always the most qualified ones, which sends the message that the Government does not care about civil society participation in decision-making processes in a meaningful way ⁵¹ . Civil society organisations are unsatisfied with the econsultations stating that they are almost always a matter of

⁵⁰ The Office of the Ombudsperson *(Ured pučke pravobraniteljice)*, Annual report for 2022 – Human Rights Defenders *(Izvješće pučke pravobraniteljice za 2022. godinu – branitelji ljudskih prava)*, April 2023.

⁵¹ Human Rights House Zagreb (*Kuća ljudskih prava Zagreb*), Human Rights Defenders: Challenges and Obstacles, December 2022.

Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to **Challenges** democracy and the civic space. Please provide examples and references. pure formality instead of a genuine avenue for collecting the opinions from the interested public to improve the proposed policy solution. Authorities often have difficulties responding in due time and reasoned comments from experts and the public are often ignored. 52 The Information Commissioner emphasised the negative trend of shortening the consultation period without explanation. Of particular concern is the fact that shortening the duration of consultations has in most cases become the rule, especially at the local level. In addition to the shortening of the consultation period, there are still cases of reports on conducted consultations not being published and public consultation plans not being adopted or published.⁵³ In 2020, the Constitutional Court independently initiated the procedure for the assessment of compliance of articles 2-11 of the Election Constituencies Act with the Constitution, based on the authority from Article 38, Paragraph 2 of the Lack of election Constitutional Act, and in 2022, in the course of the integrity (incl. constitutional court proceedings, it received two proposals for the initiation of compliance⁵⁴. electoral process, t the session held on 7 February 2023, the political campaigning and Constitutional Court concluded that the current electoral party financing) system based on ten electoral units, determined by the provisions of Articles 2-11 of the Election Constituencies Act, significantly deviates from the principle of equal voting rights, primarily in its substantial aspect, which guarantees the equal voting power of each voter, i.e. the weight of each voice. The Constitutional Court repealed the Election Constituencies Act

⁵² Croatia, Human Rights House Zagreb (*Kuća ljudskih prava Zagreb*), <u>Human Rights in Croatia:</u>
Overview of 2022, April 2023.

⁵³ Croatia, Information Commissioner (*Povjerenik za informiranje*), Report on the Implementation of the Act on the Right to Access Information for 2022 (*Izvješće o provedbi Zakona o pravu na pristup informacijama za 2022.*), March 2023.

⁵⁴Croatia, Constitutional Court of the Republic of Croatia (*Ustavni sud Republike Hrvatske*), Decision no. U-I-4089/2020 from 7 February 2023 and six separated opinions of the judges (*Odluka Ustavnog suda Republike Hrvatske broj: U-I-4089/2020 i dr. od 7. veljače 2023. i šest izdvojenih mišljenja sudaca*), Official Gazette (*Narodne novine*) 24/2023.

Challenges

Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.

with the provision that the repealed Act ceases to be valid on 1 October 2023.⁵⁵ After this decision, t he process of drafting a new Election Constituencies Act was initiated. Even though the new Act was put in the public consultation process from 25 May until 24 June 2023, which fulfilled the obligation from Article 11 of the Act on the Right to Access to Information, 56 the process of drafting the new Act was not transparent. There was no working group established, so no consultations with the experts in the area nor wider public discussion during the drafting process, which is contrary to international electoral standards and good democratic practices.⁵⁷ The public was not informed on the persons involved in the process of drafting the new Act. Only after the Information Commissioner's decision, based on Gong's demands for access to information, the Ministry of Justice and Public Administration provided the names of officials from the Directorate for the political system and general administration sector within the Ministry, without explicitly stating anywhere that they are the creators of the new election law. 58 In October 2023, the law was put in the procedure, and the opposition parties announced that they would challenge the constitutionality of the law, because of the circumstances of

⁵⁵Croatia, Constitutional Court of the Republic of Croatia (*Ustavni sud Republike Hrvatske*), Decision no. U-I-4089/2020 from 7 February 2023 and six separated opinions of the judges (*Odluka Ustavnog suda Republike Hrvatske broj: U-I-4089/2020 i dr. od 7. veljače 2023. i šest izdvojenih mišljenja sudaca*), Official Gazette (*Narodne novine*) 24/2023.

⁵⁶ Croatia, Ministry of Justice and Public Administration (*Ministarstvo pravosuđa i uprave*), Constituencies Act is again under discussion before the Croatian Parliament (*Zakon o izbornim jedinicama ponovno u raspravi pred Hrvatskim saborom*).

⁵⁷ Croatia, Gong, Experts and the opposition agree - changes to the electoral legislation must be carried out in an inclusive and professional manner (<u>Stručnjaci i oporba suglasni - izmjene izbornog zakonodavstva moraju se provesti uključivo i stručno</u>), 12 May 2023.

⁵⁸ Croatia, Gong, Malenica avoided a high sentence, claims that the HDZ state secretary and two officials came up with the constituencies (*Malenica izbjegao visoku kaznu, tvrdi da su izborne jedinice smislili HDZ-ov državni tajnik i dvoje službenika*), 19 September 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	drafting procedure not being transparent and in line with democratic standards. ⁵⁹
Disproportionate use of law enforcement measures (surveillance, police violence, unlawful arrest etc.)	
Corruption, including misuse of EU funds	Transparency International's Corruption Perception Index for 2022 states that Croatia is among the most corrupt Member States of the EU. ⁶⁰ In its Second Addendum to the Second Compliance Report, published in October 2022, GRECO assessed compliance with the six outstanding recommendations issued in the Fourth Round Evaluation Report on Croatia covering "Corruption prevention in respect of members of Parliament, judges and prosecutors." GRECO found that out of the six recommendations, two were implemented, two were partly implemented, while two still remain not implemented. GRECO notes "that Croatia is one of the very few GRECO members where Parliament still does not have a code of conduct", and stated that the "situation is highly unsatisfactory." ⁶¹ The Croatian Criminal Code ⁶² criminalises numerous corrupt acts. The USKOK is a special state attorney's office for the prescribed catalogue of criminal offences, and is tasked with taking the necessary procedural actions. The year 2023 saw

⁵⁹ Croatia, Novi list, The opposition demands an evaluation of the constitutionality of the newly adopted Law on Electoral Units (*Oporba traži ocjenu ustavnosti tek usvojenog Zakona o izbornim jedinicama*), 28 September 2023.

⁶⁰ Transparency International, <u>Corruption Perceptions Index on Croatia</u>, <u>2022</u>.

⁶¹ GRECO, <u>Fourth Evaluation Round</u>, Corruption prevention in respect of members of parliament, judges and prosecutors, Second Addendum to the Second Compliance Report, Croatia, Adopted by GRECO at its 90th Plenary Meeting (Strasbourg, 21-25 March 2022), published on 28 October 2022, 2022GrecoRC4(2022)1, p.3.

⁶² Croatia, Criminal Code (*Kazneni zakon*), Official Gazette (*Narodne novine*) 125/2011, 144/2012, 56/2015, 61/2015, 101/2017, 118/2018, 126/2019, 84/2021.

Challenges

Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.

numerous instances of high-level corruption cases. The latest is the case of the Dean of the Faculty of Food Biotechnology to the University in Zagreb who is accused of embezzlement of university funds. 63 Notable case is the one from the end of 2022 and still ongoing in 2023, so-called wind park case, when the former mayor of the city of Knin, Josipa Rimac, and eight other defendants, among them former Croatian Minister for Regional Development and European Union Funds Gabrijela Žalac, were indicted by USKOK for bribery and abusing their position and authority to favour an investor from Knin for the construction of a wind power plant, for which the mayor received a total of more than 1 million Croatian kuna (approximately 132,275 EUR).⁶⁴ In addition, also in December 2022, the European Public Prosecutor's Office (EPPO) in Zagreb filed an indictment against the above-mentioned Gabrijela Žalac, as well as the former director of Croatia's Central Finance and Contracting Agency, Tomislav Petric, and two business owners, along with their respective businesses. All four are accused of trading in influence and of the abuse of office and authority. As it stands in the EPPO press release: "During 2017 and 2018, the then minister launched a public procurement procedure for an information system for strategic planning and development management. It is alleged that she took several actions aimed at ensuring a privileged position for one business owner (2nd accused) and his companies. Among these actions, it is believed that she inflated the estimated value of the procurement of that information system, and decided to conduct a negotiated procurement procedure without publishing a public invitation to tender. During that negotiated procurement procedure, the companies linked to the 2nd accused were invited to submit

⁶³ Croatia, Telegram.hr, The police finally confirmed Telegram's revelations: 'The dean and vice-dean of PBF stole the college's money' (*Policija konačno potvrdila Telegramova otkrića: 'Dekanica i prodekan PBF-a krali su novac fakulteta'*), 14 October 2023.

⁶⁴ Croatia, Glas Slavonije, The Wind Power Affair: Uskok accused Rimac, Žalac and seven other people of corruption (<u>Afera Vjetroelektrane: Uskok optužio Rimac, Žalac i još sedam osoba zbog korupcije</u>), 30 December 2022.

Challenges

Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.

their bids."65 In December 2023, EPPO opened a new investigation into former Minister for Regional Development and European Union Funds Gabrijela Žalac for abuse of office and authority. According to the preliminary investigation, the former minister spent public money on her private restaurant expenses. As EPPO states: "It is understood that, on at least nine occasions, she partly paid for private restaurant visits with money from the representation budget of her cabinet, which is solely intended for official representation purposes. Based on the evidence, these expenses were partly included in the procurement costs of the EU's 'Competitiveness and Cohesion' Operational Programme, managed by the MRRFEU's Directorate for Strategic Planning and Coordination of EU Funds."66 Another notable case from December 2023 includes an indictment against two suspects, including a public official former minister of agriculture, for subsidy fraud and abuse of office and authority, following an investigation into projects for building a winery and planting a vineyard, co-funded by the EU.67 68

Corruption is also flourishing on the local level: in 2023, the investigation that started in 2022 was further expanded as it uncovered grounds to allege that the first and second of the

65 European Union, European Public Prosecutor's Office, Former minister and three suspects indicted in Croatia for abuse of office and authority and trading in influence (<u>Bivša ministrica i trojica okrivljenika optuženi su za zloporabu položaja i ovlasti i trgovanje utjecajem</u>), 29 December 2022.

⁶⁶ European Union, European Public Prosecutor's Office, Croatia: EPPO investigates former minister and ministry employee for abuse of office and authority (*Hrvatska: EPPO istražuje bivšu ministricu i zaposlenicu ministarstva zbog zlouporabe položaja i ovlasti*), (December 2023.

⁶⁷ European Union, European Public Prosecutor's Office, Croatia: Two indicted for subsidy fraud and abuse of office in case involving vineyard and winery (*Hrvatska: Dvije osobe optužene zbog subvencijske prijevare i zlouporabe položaja u predmetu vezanom za vinograd i vinariju*), 21 December 2023.

⁶⁸ Telegram portal. Article "What the huge fraud of former minister Tolušić looked like: fake papers, money in socks and uprooting of vineyards" (Kako je izgledala ogromna prevara bivšeg ministra Tolušića: lažni papiri, novac u čarapama i čupanje vinograda), 21 December 2023.

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Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	three suspects arranged the favouring of the second suspect's company in the execution of an EU-funded project, in return for home renovation work that benefited the first suspect. ⁶⁹ Other cases include criminal offences of subsidy fraud and money laundering of non-refundable EU agricultural funds ⁷⁰ and subsidy fraud and forgery of documents, in connection with a project involving stone products co-financed by the European Regional Development Fund. ⁷¹ According to the European Public Prosecutor's Office data ⁷² in 2022, there were 23 opened investigations with a value of 313.6 million euro of estimated damages. The number of received reports/complaints was higher, 51, with most reports coming from national authorities (29) followed by the private parties (17). Data for 2023 is awaited.
Lack of (effective judicial protection by) independent and impartial courts	

⁶⁹ European Union, European Public Prosecutor's Office, Croatia: EPPO further expands investigation into receiving and giving bribery in Varaždin (<u>Hrvatska: EPPO dodatno proširuje istragu primanja i davanja mita</u>), 28 September 2023.

⁷⁰ European Union, European Public Prosecutor's Office, Croatia: EPPO launches investigation against four persons for subsidy fraud and money laundering (*Hrvatska: EPPO pokrenuo istragu protiv četiri osobe zbog subvencijske prijevare i pranja novca*), 5 October 2023 and Croatia: EPPO files indictment against one person for agricultural subsidy fraud and document forgery (*Hrvatska: EPPO podignuo optužnicu protiv jedne osobe zbog subvencijske prijevare i krivotvorenja isprava*), 18 December 2023.

⁷¹ European Union, European Public Prosecutor's Office, Croatia: Five charged with subsidy fraud involving stone products (*Hrvatska: Tri fizičke i dvije pravne osobe optužene za subvenacijske prijevare u vezi sa strojevima za obradu kamena*), 16 November 2023.

⁷² European Union, European Public Prosecutor's Office, <u>EPPO Annual Report 2022</u>.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
Threats to (the independence of) the fundamental rights institutional landscape (NHRIs, equality bodies, data protection authorities and similar bodies), incl. closure of fundamental rights bodies, legal changes, budget cuts and harassment	
Institutional issues linked to checks and balances (lack of parliamentary oversight, lack of implementation of final court decisions by executive, etc.)	
Other major developments threatening democratic values	Please explain

2.2 Legislative and policy measures having an impact on the freedom of assembly/association/expression of civil society actors.

In 2023, there were no changes in national bills or laws related to this area.

The policy framework for the development of civil society is still inadequate – the last National Plan for Creating an Enabling Environment for Civil Society Development was for the period until 2016, making it the seven consecutive years without a fundamental public policy on civil society development. Even though the process of drafting a new strategic document was initiated in 2021, while the Working Group for drafting the National Plan for Creating an Enabling Environment for Civil Society Development for 2021-2027 was established in January 2022, the document is still not adopted.⁷³

In 2023, a new National plan for gender equality for the period until the year 2027⁷⁴ was introduced, as well as an Action plan for the year 2024.⁷⁵ In these policy documents, civil society is only mentioned as a partner and stakeholder, but there are no adequate or effective measures to facilitate development in this area. Also, a new National plan for the protection and promotion of human rights and combating discrimination for the period until year 2027⁷⁶ was introduced, as well as belonging

⁷³ Croatia, Human Rights House Zagreb (*Kuća ljudskih prava Zagreb*), <u>Human Rights in Croatia:</u>
Overview of 2022, April 2023.

⁷⁴ Croatia, Office for Gender Equality to the Government of the Republic of Croatia (*Ured za ravnopravnost spolova Vlade Republike Hrvatske*), National plan for gender equality for the period until the year 2027 (*Nacionalni plan za ravnopravnost spolova za razdoblje do 2027. godine*).

⁷⁵ Croatia, Office for Gender Equality to the Government of the Republic of Croatia (*Ured za ravnopravnost spolova Vlade Republike Hrvatske*), Action plan for the year 2024 (*Akcijski plan za ravnopravnost spolova za razdoblje do 2024. godine*).

⁷⁶ Croatia, Office for Human Rights and the Rights of the National Minorities to the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), National plan for the protection and promotion of human rights and combating discrimination for the period until 2027 (*Nacionalni plan zaštite i promicanja ljudskih prava i suzbijanja diskriminacije za razdoblje do 2027. godine*).

action plans for 2023,⁷⁷ while new action plans for the period 2024-2025 are being drafted.⁷⁸ In a new National plan, role of civil society in promotion and protection of human rights is recognised, and National plan foresees measures that "increase the visibility of the activities of civil society organisations and strengthen the capacities of public officials to apply the standards of planning, implementation and monitoring of the allocation of financial resources (...) actions are planned that improve the transparency of financing of civil society organisations from public sources, financing models and sustainability for projects and programs of civil society organisations aimed at protecting human rights. Financial support aimed at strengthening the capacity of local civil society organisations to effectively address the needs of the local community is also planned".⁷⁹ However, neither the Action Plan for the Protection and Promotion of Human Rights for 2023 nor the Action Plan for Combating Discrimination for 2023 introduce new measures concerning civil society that would facilitate stronger development in this area.

Table 3 - Case law

Case law	
Deciding body (in original language)	Općinski sud u Dubrovniku
Deciding body (in English)	Municipal Court in Dubrovnik

⁷⁷ Croatia, Office for Human Rights and the Rights of the National Minorities to the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), Action plan for protection and promotion of Human Rights for 2023 (*Akcijski plan zaštite i promicanja ljudskih prava za 2023. godinu*) and Action plan for combating discrimination for 2023 (*Akcijski plan suzbijanja diskriminacije za 2023. godinu*).

⁷⁸ Croatia, Office for Human Rights and the Rights of the National Minorities to the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), Development of the Action plan for protection and promotion of Human Rights for 2024-2025 and the Action plan for combating discrimination for 2024-2025 (*Izrada Akcijskog plana zaštite i promicanja ljudskih prava 2024. - 2025. i izrada Akcijskog plana suzbijanja diskriminacije 2024. - 2025.*).

⁷⁹ Croatia, Office for Human Rights and the Rights of the National Minorities to the Government of the Republic of Croatia (*Ured za ljudska prava i prava nacionalnih manjina Vlade Republike Hrvatske*), National plan for the protection and promotion of human rights and combating discrimination for the period until 2027 (*Nacionalni plan zaštite i promicanja ljudskih prava i suzbijanja diskriminacije za razdoblje do 2027. godine*).

Case law	
Case number (also European Case Law Identifier <u>ECLI</u> , where applicable)	K-265/2018
Parties	Plaintiff: Razvoj golf d.o.o. (daughter company of Elitech B.V., Netherlands) Defendants: Željka Leljak Gracin, president at Zelena akcija Luka Tomac, vice-president at Zelena akcija Enes Ćerimagić, vice-president at Zelena akcija
Decision date	23 January 2023
Web link to the decision (if available)	N/A
Which fundamental freedoms of (peaceful assembly, association and/or expression) were referred to in the case?	Article 10. ECHR
Key facts of the case (max. 250 words)	Defendants are elected representatives of the leading Croatian environmental NGO Zelena akcija (ZA). Since 2010 they have been involved in a critical assessment of a plan to build a gated community-style golf resort comprising 248 villas, 400 apartments and 2 hotels in the vicinity of the UNESCO-protected old city of Dubrovnik. Razvoj Golf is an SPV formed for the implementation of the project. Since its involvement in the campaign, ZA has managed to judicially annul the permits for the project (an environmental permit and a location permit) on account of a breach of environmental acquis communautaire. Following the annulment, the investor, via its Dutch-based shell company, in September 2017 initiated arbitral proceedings against the state of Croatia, allegedly claiming 500 million EUR in damages. The claim was filed based on the Croatia-Netherlands Bilateral Investment Treaty (BIT) from the 1990s. This resulted in enormous pressure on the Croatian institutions to reissue the annulled permits. ZA reacted by running a public campaign which included posters of blood-smeared golf clubs and a message that the investor is

Case law	
	interested in racketeering (and not golfing). Nevertheless, the permits were reissued just 6 weeks after Croatia was sued before the arbitration tribunal. The new permits were identical to the ones annulled by the court and have completely ignored the legal interpretations put forward in the annulment decision. ZA was sued by the investor in the civil court for damages (approx. 5000 EUR), a gag order was requested banning all and any discussion about the project and elected officials of ZA were sued for libel in the criminal court. Arbitration tribunal, to which ZA provided input by way of <i>Amicus curiae</i> institute, in May 2023 denied the damages request in its entirety.
The key legal question raised by the Court	N/A
Result of the case in terms of factual outcome, and in terms of assessment of the legal question raised	The domestic court of first instance found ZA officials guilty and fined them 3.374 EUR each plus expenses and an obligation to publish the 15-page decision in two national media outlets. The court found that their qualification of the investor's behaviour was untrue and therefore caused damage to the investor. The defendants appealed and the second instance decision is pending. This Strategic Lawsuits Against Public Participation (SLAPPs) against ZA aims to silence, censor and intimidate the work of human rights defenders in the field of environmental protection. Legal proceedings against FoE Croatia initiated in 2017 by a private investor in relation to the planned construction of a golf resort on Srđ mountain above Dubrovnik are still ongoing. The investor is claiming over 26,552 EUR from the organisation in criminal proceedings for defamation and civil proceedings for damages. Meanwhile, the investor requested that the commercial court issue a provisional measure prohibiting activism and the right to freedom of expression against FoE during the realisation of the project on Srđ mountain. Consequently, FoE experiences financial burden because of the duration and delays in the proceedings, consumption of the organisation's capacities, as well as the general public's negative perception of the organisation.