

Canadian NATO
Parliamentary Association



Association parlementaire
canadienne de l'OTAN

**Report of the Canadian Parliamentary Delegation
to the Visit of the Political Committee Sub-Committee on
Transatlantic Relations**

Canadian NATO Parliamentary Association (NATO PA)

**Zagreb, Croatia
March 25-27, 2009**

Report

The Canadian NATO Parliamentary Association has the honour to present its report on the Sub-Committee on Transatlantic Relations visit to Zagreb, Croatia, held March 25 - 27, 2009. The Canadian delegation was represented by Mr. Anthony Rota, M.P. and Mr. Randy Hoback, M.P.

HISTORICAL BACKGROUND

After Croatia declared independence from Yugoslavia in June 1991, it was embroiled in a four year war with local Serb forces armed and strongly supported by the Yugoslav Army and the Government of Slobodan Milosevic. The bitter conflict left thousands dead and displaced, and extensively damaged cities, historical sites and the agricultural infrastructure. President Franjo Tudjman ruled Croatia through the war years and early statehood, until his death in 1999. His administration was criticized for its record on human rights and democratic practices. The election of Stipe Mesic as President and the coming to power of the Social Democratic Party in 2000 were watershed political events, as they clearly set Croatia on the course of transformation into an open society based on democratic principles and a market economy, firmly oriented towards Euro-Atlantic institutions. The current government of Ivo Sanader, re-elected in November 2007, has continued the reforms necessary to achieve this transformation. In joining NATO (April 2009), Croatia proved its democratic credentials consistent with alliance membership. The country has moved from security consumer to security provider both in the region and internationally (Croatia has 300 soldiers in Afghanistan and participates in some 12 other UN-mandated peacekeeping missions abroad, including Kosovo and the Golan Heights).

POLITICAL PROFILE

Croatia is a parliamentary democracy. According to the Constitution, the unicameral parliament, called the Sabor, has a minimum of 100 and a maximum of 160 members (currently 153). Members are elected on the basis of universal suffrage for a term of four years. The large Croatian Diaspora is entitled and encouraged to participate in the ballot, although the bulk of overseas voting involves the Croatian community in Bosnia. The President offers a governing mandate to the candidate for Prime Minister considered most capable of gaining the confidence of the majority in the Sabor.

HUMAN RIGHTS AND MINORITY RIGHTS

The human rights situation in Croatia has continuously improved over the past several years. Basic freedoms and human rights are guaranteed and protected. Croatia has made significant progress in ensuring minority rights. Approximately 120,000 Serb refugees (over one third) are registered with Croatian authorities as having returned. Croatia has spent in excess of US\$5 billion on arranging these returns, including the provision of housing. Nevertheless, property issues, housing shortages, poor infrastructure in rural areas and lack of employment opportunities remain impediments to a greater number of sustainable returns. The refugee return process, in the sense of State-sponsored housing and support, is entering its final phase. As in other countries in

Europe, the Roma people in Croatia resist socialisation and continue to face difficulties with regard to citizenship, housing, health care, employment and education.

ECONOMIC PROFILE

Croatia is a relatively small market, with a growing purchasing power. The country, with its ports along the Adriatic and excellent highway system, can be an effective springboard to the region. Croatia has some internationally competitive companies such as INA, Kras, Podravka, INGRA and the shipbuilding industry, although shipbuilding requires dramatic re-structuring and privatization as mandated by the EU. In addition, Croatia is part of the Central European Free Trade Agreement (CEFTA), which includes Albania, Bosnia & Herzegovina, Macedonia, Moldova, Montenegro and Serbia. The objectives behind CEFTA are to prepare members for EU membership, through their adoption of EU standards with regard to commercial rules. CEFTA is intended to become a free trade zone by December 31, 2010.

Helped by the prospect of European Union accession, the business environment in Croatia has been improving. Remaining impediments to doing business are bureaucratic red tape, notably at the local level; high, numerous and non-transparent local fees; and property-related legal uncertainties, particularly land ownership issues and enforcement of property rights. The state's presence in many aspects of economic activity remains significant with the public sector share of output at about 40 per cent of GDP. Reform and privatization of state-owned enterprises is progressing, albeit at a slow pace. State-owned enterprises, particularly in agriculture and shipbuilding, continue to rely on subsidies and to register losses. Corruption remains a challenge, although some of the more egregious corruption issues involving privatisation and investment have been investigated and prosecuted.

The current international financial and economic crisis poses serious challenges for Croatia. The economy is slowing significantly from a high of 5.6% GDP growth in 2007 to a likely shrink between -2.0% and -4.0%. Despite the prospect of decrease for both foreign direct investment and tourism, Croatia, unlike other countries in the region, (Hungary, Serbia, Ukraine, Baltics), has managed without massive support from the IMF.

FOREIGN POLICY

NATO and Croatia actively cooperate in a range of areas, with a particular emphasis on defence and security sector reform, as well as support for wider democratic and institutional reform. In April 2008, Croatia was invited to start accession talks to become a member of the Alliance. The accession protocols were signed on 9 July 2008 and the ratification process is ongoing. It is expected that the process will be completed in time for the Strasbourg-Kehl Summit in April 2009, at which point Croatia can focus more exclusively on other foreign policy priorities, principally European Union membership and good neighbourly relations.

The European Union launched membership talks with Croatia in October 2005. In its November 2008 report, the European Commission stated that Croatia was on track to wrap up European Union accession talks in 2009 and could be ready to become a member in 2011. Challenges remain, such as: reform of the Croatian legal system;

rationalization of the heavily subsidized shipbuilding industry; and combating corruption and organised crime. Most recently, a bilateral land and maritime border dispute with EU member Slovenia has stalled progress on Croatia's EU accession negotiations.

Balkan Region: Croatia sees itself as a Western European, not a Balkan, state. However, Croatia has made efforts to improve its relations with its neighbours and has taken up the European Union's challenge to promote a regional free trade area, an important stabilization measure. Similarly, Croatia has played a leadership role in the US-Adriatic Charter which links Croatia, Albania and Macedonia in security reforms and other military cooperation.

Relations with Serbia have been generally improving over the last few years (significant increase in trade – official visit of PM Sanader to Serbia in March 2009), but are harmed by occasional rhetoric on both sides with regard to war-time atrocities. The fate of the Croat minority in Bosnia & Herzegovina (600,000 people) is a particular interest for Croatia.

The International Criminal Tribunal for the former Yugoslavia (ICTY): Croatia is obliged under the Dayton Peace Accord of 1995 to cooperate fully with the ICTY. Generally speaking, Croatia has been praised for its positive role in the arrest of General Gotovina, wanted for war crimes during Operation Storm in the south-western part of Croatia. The trial of General Ante Gotovina, as well as Generals Ivan Cermak and Mladen Markac, are currently underway in The Hague. However, ICTY Prosecutor Serge Brammertz is not satisfied with Croatia's response thus far to his request for documentation related to Operation Storm and the recovery of the western Krajina from rebel Serb forces in August 1995. He is expected to present a report to this effect to the UN Security Council on June 4, 2009.

MEETINGS

WEDNESDAY, MARCH 25, 2009

The visit began at the Croatian parliament with the ratification ceremony of the North Atlantic Treaty. This was followed by a very fruitful meeting with Mr. Luka Bebic, Speaker of the Croatian Parliament.

The Committee participated in a roundtable discussion with representative of the *Konrad Adenauer Foundation*. Mr. Reinhard Wessel, Director of the Konrad Adenauer Foundation office of Croatia spoke on "20 years of transformation: Croatia's achievements and challenges". His Excellency Mr. Peter Imre Györkös, Ambassador of the Republic of Hungary to the Republic of Croatia also participated in the discussions.

The next order of business was a joint meeting with Members of the Parliamentary Committees on Foreign Affairs, the Defence Committee, the Domestic Policy and National Security Committee and the Croatian delegation to the NATO Parliamentary Assembly.

Mr. Ivo Sanadar, Prime Minister of Croatia, met with the group in the afternoon as did Mr. Davor Bozinovic, State Secretary, Ministry of Foreign Affairs.

THURSDAY, MARCH 26, 2009

The Sub-committee on Transatlantic Relations began its day at the Ministry of Defence of Croatia. They participated in a joint meeting with Branko Vukelic, Minister of Defence; Pjer Simunovic, State Secretary, Ministry of Defence; Lieutenant General Slavko Baric, Deputy Chief of Defence, Planning and Resources; and Brigadier General Dragutin Repinc, Director of the Planning Directorate. Discussions focused on recent security policy issues.

The group then departed to the Special Operations Battalion based at Delnice to hear a presentation on the unit's organization, capabilities and spectrum of activities. Members of the unit participated in a demonstrative exercise, which was followed by the setting up of the Technical-Tactical Guard.

The day concluded with a meeting with the President of Croatia, Stjepan Mesic.

FRIDAY, MARCH 27, 2009

The Sub-committee visited the Croatian Academy of Sciences and Arts and participated in a roundtable on "Energy Security and South-East Europe" with Milan Mogus, President of the Academy, and Mirko Zelic, Academic.

A roundtable then followed at the Croatian Parliament on "NATO and Public Perceptions of Security" with Aleksa Bjelis, Rector of Zagreb University; Tvrtko Jakovina, Professor of Contemporary History in the Faculty of Arts; and Petar Popovic, Secretary General of the North Atlantic Integrations Promotion Organization.

Respectfully submitted,

Mr. Anthony Rota, M.P.
Canadian NATO Parliamentary Association (NATO PA)

Travel Costs

ASSOCIATION	Canadian NATO Parliamentary Association (NATO PA)
ACTIVITY	Visit of the Political Committee Sub-Committee on Transatlantic Relations
DESTINATION	Zagreb, Croatia
DATES	March 25-27, 2009
DELEGATION	
SENATE	
HOUSE OF COMMONS	Mr. Anthony Rota, M.P. and Mr. Randy Hoback, M.P.
STAFF	
TRANSPORTATION	\$14,793.72
ACCOMMODATION	\$1,349.12
HOSPITALITY	\$0.00
PER DIEMS	\$921.88
OFFICIAL GIFTS	\$0.00
MISCELLANEOUS / REGISTRATION FEES	\$0.00
TOTAL	\$17,064.72