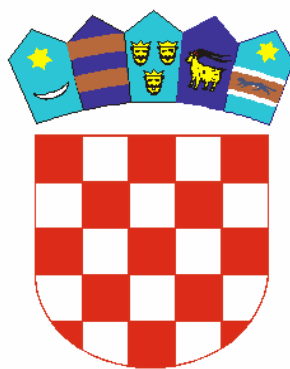


O S C E
FORUM FOR SECURITY COOPERATION



PARTICIPATING STATE

REPUBLIC OF

C R O A T I A

**ANNUAL EXCHANGE OF
INFORMATION ON DEFENCE
PLANNING 2007**

VIENNA DOCUMENT 1999

CONTENTS

I. Introduction	3
II. Defence Planning	3
15. General Provisions	3
15.1. Defence Policy And Doctrine	3
15.1.1. Defence Policy, Military Strategy/Doctrine	3
15.1.2. National Defence Planning Procedures	9
15.1.3. Personnel Management Policy	11
15.2. Force Planning	14
15.2.1. Size, Structure, Personnel, Main Weapons Systems	14
15.2.2. Placement of the Republic of Croatia's Armed Forces	15
15.2.4. Training of the Republic of Croatia's Armed Forces	16
15.2.5. Equipping and Modernization	18
15.3. Budget Information	19
III. Annexes	20

I. INTRODUCTION

In accordance with article 15 of the *Vienna Document 1999*, with this the Republic of Croatia presents the *Annual Exchange of Defence Planning Information* document for the year 2007.

The process of defence system reform, initiated in 2002, has continued. The goal of reforms and reorganization is to establish a modern defence system structure that will be capable of responding to challenges of the new era, while taking into account NATO membership and security arrangements within the framework of the European Union.

By adoption of the Croatian Armed Forces (CAF) Long Term Development Plan 2006 – 2015 in Croatian parliament on July 07, 2006 clear content and time period frameworks for further reforms, development and modernization of the CAF have been set for the coming ten years.

Information and data on defence planning provided in this document reflect the status of the defence system as it is now in one of its phases of reform and modernization.

II. DEFENCE PLANNING

Exchange of Information

15. GENERAL PROVISIONS

In accordance with article 15 of the *Vienna Document 1999*, The Republic of Croatia presents information on defence planning for the year 2007.

15.1. DEFENCE POLICY AND DOCTRINE

15.1.1. Defence Policy, Military Strategy/Doctrine

Defence Policy

The definition of defence goals for the Republic of Croatia is based on national values, interests and security needs. The Republic of Croatia is decisive in safeguarding its freedom, independence and sovereignty under all security conditions.

The main defence goals of the Republic of Croatia which determine its basic areas of activity are:

- Accession of the Republic of Croatia to the NATO alliance and EU as a full member,
- Development of an effective defence system, based on the concept of collective security,
- Active contribution of the Republic of Croatia in building and promoting stability and security in the world,
- Development of the Republic of Croatia's capabilities to participate in peace support activities in the world.

The Republic of Croatia has determined accession to NATO, and in parallel the European Union, to be a strategic goal. The Republic of Croatia holds that its security and contribution to regional,

European, and in turn world security will be best achieved through its own contributions within the framework of collective defence such as that provided by full NATO membership. As a European Union membership candidate, the Republic of Croatia wishes to adjust its defence system to parameters set by European security and defence policy within the framework of the European Union Common Foreign and Security Policy. In conjunction with the development of European security and defence, the Republic of Croatia supports the strategic partnership between the European Union and NATO, based on strong transatlantic ties and a coherent development of mutual, complementary capabilities. Participation in Euro Atlantic security and cooperation forums to date, as well as active participation in international peace support missions under UN and NATO mandates, have demonstrated that the Republic of Croatia has potentials and capabilities that it can use and will further develop and expand.

The last year was especially significant for further perspectives regarding Croatian efforts toward NATO membership. During the summit held in Riga on November 29, 2006, Croatia received for the first time a clear time framework for future membership. On that occasion advancements made by the Republic of Croatia were acknowledged along with those of other MAP countries. Special acknowledgement was given to the growing contribution to NATO operations and efforts in promoting regional cooperation. Furthermore, it was stressed that at the coming summit in 2008, invitations will be given to those countries that fulfil membership standards and are capable of contributing to Euro-Atlantic stability and security. The full cooperation of Croatia with the International Criminal Court for the Former Yugoslavia (ICTY) in The Hague was also acknowledged as well as significant progress in the conduct of political, economic and defence reforms as well as the rule of law. Croatia was called upon to invest additional efforts in ensuring that aspirations for NATO membership be founded in a higher level of public support.

Basic forms of Croatian participation in the entire process of integration and approaching membership in NATO are the Partnership for Peace (PfP) and the Membership Action Plan (MAP). During 2007 PfP participation will be defined through activities within the Individual Partnership Program (IPP), the Planning and Review Process (PARP) or partnership goals (PGs) and the Annual National Program (ANP).

The Individual Partnership program for 2007 is oriented toward achieving the required level of interoperability, implementation of partnership goals and training of units declared for NATO lead operations. The priority in the 2007 IPP is on activities that support implementation of Partnership goals, standardization and participation in the work of NATO committees and work groups as well as the training of units declared for participation in NATO/EU peace support operations. Thus within NATO's Operational Capability Concept Evaluation & Feedback Programme (OCC E&F) for 2007 NATO will evaluate the level of MEDEVAC interoperability (NATO Evaluation Level 1), while self-evaluation will continue for three units of the first level (NATO Level 1 – Self-evaluation: NBC platoon, SOF, Medical) and self-evaluation for three units of the second level (NATO Level 2 – Self-evaluation: Infantry company, Engineer's platoon for de-mining, Mi-8 helicopter).

The Military Police will continue to participate in organization of the multi-national MP battalion centred in Poland.

Furthermore, through various courses and NATO exercises/staff exercises, priority will also be given to activities related to training of personnel for work in staffs at international operations. This year the Republic of Croatia plans to send 5 additional officers to work in NATO commands/headquarters making the total amount to 19.

During 2007 cooperation is planned with the Joint NATO Command in Naples, through the visits of 11 mobile training teams (MTT).

In 2007 the Republic of Croatia will actively participate in the bilateral plan with the Republic of Serbia (to date known as the NATO Special Program for Serbia and Montenegro). Activities are related to offering English language courses at the Foreign Language School, and courses at the International Military Operations Centre, while bilateral activities aimed at sharing experiences from our participation in the partnership for peace are also in the plan. A total of 13 activities are planned for 2007.

The Croatian IPP for 2007 contains a total of 404 activities with 76 activities outside the IPP. Of these, 79 activities will be carried out in the Republic of Croatia. Priority areas according to the number of activities are:

- Training and Education: 83
- Consultations, command and control (C3): 47
- Standardization: 43
- Exercises: 36
- Logistics: 33

In 2007 the Republic of Croatia will take part in 9 NATO/PFP exercises and exercises “in the spirit of PFP”, three of which are exercises with units, as well as 2 within the framework of the American-Adriatic Charter (one with units). Two exercises (NOBLE MIDAS 07 and ADRIATIC EAGLE 07) will be conducted on the territory of the Republic of Croatia.

PARP is the most significant instrument and process directed toward preparation of declared forces for participation in NATO operations, raising the level of interoperability and adjustment of the defence system to future NATO membership requirements. Furthermore, PARP provides a valuable insight into NATO’s process of force planning and points out where the national planning system is lacking.

During 2006 The Republic of Croatia accepted a new package of Partnership Goals (PGs) within the framework PARP. The package contains 44 goals (29 PGs are related to MAP), and during 2007 Croatia will continue with the process of their implementation. The new package of partnership goals was agreed upon in March 2006 during the visit of a NATO expert team and during the PARP/MAP survey, it contains a broadening of certain older goals or a significantly higher contribution in forces as of 2010: for example a motorised infantry battalion (instead of company), an engineers company (instead of platoon) and others. This newly adopted package of partnership goals is full in accordance with the level of ambition expressed in the SDR and LTDP.

During 2007 a special emphasis in implementing partnership goals will be placed on equipping and training units declared for participation in NATO lead operations:

- One motorised infantry company
- One engineers platoon for mine clearing
- One military police platoon
- One special operations platoon

- One NBC platoon for decontamination
- Two medical teams
- One Transport helicopter
- One engineers platoon for horizontal constructions

Emphasis will also be placed on implementation of partnership goals related to language education, training of personnel for participation in multi-national commands as well as training personnel from all three services in accordance with NATO standards. With an aim to develop the capability to lead and command the armed forces under all conditions priority will be given to acquiring modern information-communication equipment and means and their maintenance.

The planned dialogue dynamics and cooperation with NATO during 2007, beside continuation with implementation of the new PG package, will also encompass the visit of a NATO team to Zagreb in March 2007.

Within the framework of participation in MAP as an official candidate for NATO membership, Croatia developed and delivered its Annual National Plan in October 2006 completing the fourth and beginning a fifth cycle of Croatian participation in MAP. A presentation of the Croatian ANP 2006 – 2007 was held at a meeting in the format of an SPC(R) *Senior Political Committee – Reinforced*) + the Republic of Croatia in Brussels on October 13th 2006. Last year's SPC(R) with the Republic of Croatia showed that Croatia is in a ripe period of relations with NATO and in an advanced phase of conducting and completing numerous reforms necessary for membership. While conducting reforms in the area of defence, the Republic of Croatia closely cooperates with representatives of NATO's international staff. Intensive dialogue and official recommendations from NATO personnel represent important support and an important instrument for monitoring defence reforms. Cooperation will actively continue in 2007. During the fifth MAP cycle, the Republic of Croatia will continue reforms in the defence system and continue in achieving compatibility between the CAF with the armed forces of NATO member countries. The goal is to harmonise the structure and elements of the armed forces with emphasis on their mobility, and effectiveness, while ensuring real and foreseeable financial expenditures.

Furthermore the Republic of Croatia will continue with participation, and with increasing and broadening concrete contributions to NATO peace support operations, as well as other operations and initiatives initiated by the alliance, with emphasis on a continuation of participation in the NATO lead ISAF operation. In 2007 the Republic of Croatia plans to increase its participation in ISAF up to the number of 200 soldiers.

In 2007 the Republic of Croatia intends to continue providing support to the KFOR NATO operation in Kosovo and operation EUFOR in Bosnia-Herzegovina. Furthermore, the Republic of Croatia has adopted the decision to join the NATO allied operation Active Endeavour on the Mediterranean. During 2007 the first step will be to send one operative liaison officer to the operations staff at CCMAR HQ Naples.

In support of NATO's efforts to establish security in Iraq, in 2006 the Republic of Croatia offered a donation of arms to the Iraqi security forces, and a proposal to train Iraqi security forces in the Republic of Croatia or elsewhere outside of Iraq, through NATO's operation NTM-I (NATO Training Mission – Iraq). Further realization of the offer in 2007 will depend on decisions by authorities in NATO.

The Republic of Croatia sees the American-Adriatic charter as an effective initiative that contributes to the strengthening of regional security and stability. Cooperation is especially significant in concrete projects that are aimed at quickening the process of accession to NATO and providing contributions to allied operations. In cooperation within the charter, along with regular working diplomatic and defence consultations and development of concrete projects (such as deployment of a combined medical team to Afghanistan), emphasis is also placed on supporting stabilization in the entire region, especially through support of reform processes in Bosnia-Herzegovina, Serbia and Montenegro (primarily through sharing experience), whose representatives attend some of the Charter meetings at corresponding levels as guests. 23 activities are planned within the framework of the American-Adriatic Charter for 2007. The main focus is on regional security consultations through meetings at various levels, but also practical activities, such as two exercises and training of a combined medical team that will participate in the NATO ISAF operation.

During the NATO summit held in Riga on November 29th 2006, one of the key goals ahead of the Republic of Croatia in the coming period was singled out as being raising the level of public support for membership in the alliance, or informing the public and fulfilling goals set in the CAF LTDP.

During 2006 the Ministry of Foreign Affairs and European Integration developed a special document titled *The Communication Strategy for Membership of the Republic of Croatia in NATO* in which the MoD was indirectly involved expressing its opinion and support for the document. The basic purpose of the document is to establish a proper informing of the public, through the conduct of transparent and competent public dialogue on NATO issues, with an ambition to achieve and maintain a reliable public support as one of the basic preconditions for integration into the alliance. The document has been delivered to NATO as an annex to the Annual National Program 2006-2007. During 2007 implementation of the mentioned strategies will begin.

The Republic of Croatia pays particular attention to bilateral and multilateral military cooperation and is active in:

- Conduct of internationally accepted obligations regarding arms control, primarily the *Agreement on Sub-regional Arms Control* (article IV and V, annex 1-b of the *Dayton Accord*);
- Full implementation of confidence and security building measures within the framework of the *Vienna Document 1999*, along with additional measures of building confidence and security in the region based on reciprocity;
- The activity of RACVIAC, which has proven to be very successful. RACVIAC strives to assist in the process of creating greater transparency, openness and predictability concerning military security as well as cooperation and dialogue among the 20 participating nations. In the previous period a Defence Conversion cell was established within RACVIAC results of which are expected. Furthermore, RACVIAC is a forum for courses, seminars and workshops in various fields, such as: border traffic and security, illegal trafficking of drugs, people and weapons; joint activity in the event of natural disasters and accidents; regional cooperation in all peace issues; democratic control of the armed forces as well as European Security and defence policy.

- Conduct of the Open Skies agreement, of which Croatia became a full member on January 1st 2005 after many years of preparation;
- Implementation of accepted conventions, global and regional agreements, programs and measures in the area of international security (bans and restrictions of the production, storage and use of anti-personnel mines, chemical and biological weapons, prevention of terrorism, organized crime, the illegal drug trade, trafficking of human beings, environmental protection and others);
- Participation in regional defence initiative forums of Central and South-eastern Europe: CENCOOP (Central European Nation Cooperation in PSO), the American-Adriatic Charter, the Quadrilateral, SEDM (South-East Defence Ministerial), Adriatic-Ionian Initiative, SEECP (South-East European Cooperation Process), SEEC (South-East European Clearinghouse);
- The activity of 17 diplomatic offices which cover 33 countries, including all neighbouring countries;
- International peace operations, with 30 members in 9 peace missions under the auspices of the United Nations, as well as the ISAF mission, which has been increased from 50 members to a maximum of 150 CAF members in 2006.

Special attention is given to the adequate level of interoperability of the CAF with the armed forces of NATO member countries. During CAF reform, emphasis will be placed on the issue of increasing the level of interoperability. In order to achieve this goal, the Republic of Croatia uses its membership in the NATO PfP program and especially the *Membership Action Plan*. The exchange of information and mutual activities, among which are mutual military exercises, contribute to the improvement of CAF capabilities to operate in non-traditional tasks and cooperate with the civilian sector in the areas of security and defence. In this manner the CAF can perform their multiple roles. Along with the basic responsibility of deterrence against aggression and defence of the population and territory of the Republic of Croatia, they are included in planning, preparing and conducting operations for the protection and rescuing of people and property in the event of natural catastrophes or technological accidents, when the scope of such exceeds the capabilities of designated civilian institutions.

The defence policy of the Republic of Croatia is being developed and conducted in practice with respect to the following principles:

- Building of a defence system in accordance with democratic standards and processes (democratic control over the defence system, transparency of defence policy, planning and the defence budget);
- Suitability of the defence system to security conditions;
- Maintaining an adequate level of military capabilities within the framework of state economic and budget capacities;
- Rational planning and management of defence resources;
- Respecting national traditions and values, especially experience from the Homeland War;
- Consistent conduct of accepted international obligations.

Military Strategy

The Military Strategy of the Republic of Croatia is a document based on the *Constitution*, *National Security Strategy* and *Defence Strategy of the Republic of Croatia*, concerning the CAF as the basic defence component of the Croatian defence system. The Military Strategy takes into account experience gained in the Homeland War.

The Military Strategy provides the concept of development, equipping and modernization in the CAF as well as the development of the military art and use of achievements in military techniques and technologies. It clearly presents the place and role of the CAF. The CAF development is based on the improvement of existing capabilities, their expansion as well as building new ones.

The Military Strategy takes into account changes resulting from the end of the Cold War so that, along with traditional and non-traditional tasks, the CAF also prepare for defence in the event of various possible trans-national and asymmetric threats. In doing so, the CAF rely upon current PfP membership and anticipated NATO membership.

The defence of the Republic of Croatia is based upon all encompassment, i.e. a concept of integral defence in which military and civil defence are components of the Croatian defence system. The Military Strategy defines the size and structure of the CAF and the place, role and tasks of the branches. Modular and professional forces, as well as the development of military capabilities are significant CAF guidelines necessary for the realization of defence.

The CAF consist of:

- The CAF General Staff, defined as a joint staff, which directly commands the armed forces branches – the Croatian Army, the Croatian Air Force and Air Defence and the Croatian Navy
- The Logistics Command
- The Joint Education and Training Command
- Staff units.

In accordance with current threat and risk evaluations, the emphasis in CAF activities will be placed upon development and improvement of capabilities. The CAF will continue to increase the effectiveness of their branches, services, specializations and units while simultaneously developing capabilities adjusted to requirements for participation in the joint operations of the international community. Importance will be given to training and preparation for international peace support and other operations.

15.1.2. National Defence Planning Procedures

Defence planning is a continuous and systematic planning activity conducted by government bodies and state departments as well as by the CAF in the area of defence. This activity defines,

coordinates, elaborates and adopts general and specific strategic goals under the jurisdiction of all incumbents of planning within the MoD and CAF. It consists of strategic, developmental and operative planning. The following participate in the process of defence planning, in accordance with their jurisdiction: The President of the Republic, Croatian Parliament, the Government of the Republic of Croatia, The Ministry of Defence and other incumbent ministries as well as other state institutions.

Defence planning procedures in the CAF and MoD are defined by the *Regulation on the Manner of Planning, Programming, Development and Implementation of the MoD Budget* that was adopted in February 2003. It regulates defence resource management with a goal of effective and rational allocation of available resources, in accordance with the defence goals of the Republic of Croatia.

During 2006 the CAF Long Term Development Plan (LTDP) 2006-2015 was adopted through parliamentary procedure.

The LTDP reflects the findings and recommendations within the Strategic Defence Review which were the result of intense activity within the MoD and CAF and the result of wider cooperation between the MoD and other Government Agencies, the office of the President of The Republic of Croatia, experts in the field of defence from Croatia as well as future NATO allies.

The task of the LTDP is to determine the direction of CAF development over the next ten year period and to define the obligations of defence system elements in its achievement. The LTDP is the starting point for the development of all development and implementation plans within the framework of the CAF and MoD, including the defence budget proposal and MoD financial plan.

The aim of this plan is to determine military capabilities that the CAF will develop and maintain as well as financial frameworks and the dynamics of their full achievement. Following the findings and recommendations within the Strategic defence review, future military capabilities will be suited to modern security challenges and available resources.

Defence Planning Levels

- a) Strategic planning is a component of defence planning in the framework of which legislative and executive government bodies define, through documents of the highest level, the security and defence requirements of the Republic of Croatia as well as methods of ensuring security and defence requirements. Strategic planning documents are: the *National Security Strategy*, the *Defence Strategy*, the *Military Strategy* and the *Strategic Review of the Status of Military Capabilities*.
- b) Developmental planning is a component of defence planning that, in the long-term and mid-term covers the building, development and maintenance of personnel and material defence capabilities. Development planning documents are: *The CAF Long-term Development Plan* that covers a period of 10 years and the *MOD and CAF Mid-term Development Plan* that covers a period of 6 years.
- c) Operative planning is a component of defence planning that covers management of personnel and material resources, with an aim to realize strategic and development planning as fully and consistently as possible. Operative planning most directly ties the planning functions with

programming and budget development. Operative planning documents are: *Annual Military Priorities, Annual Defence Planning Guidance, the Armed Forces Plan, and the Annual Report on the Readiness of the Defence System, the Conduct of Personnel Policy and the Overall State of the Armed Forces.*

Institutions Included In The Defence Planning Process

The President of the Republic of Croatia is the supreme commander of the CAF. The President endorses the proposed *Defence Strategy of the Republic of Croatia* and the proposed *Defence Plan of the Republic of Croatia*. The President also adopts the *Military Strategy, the CAF Plan of Use, the Decision on the CAF Size, Composition and Mobilization Development* and the *Decision on the Military-territorial Division of the Republic of Croatia*.

The Croatian Parliament adopts the defence budget as part of the *State budget*, which is one of the elements of democratic parliamentary control. The Croatian Parliament adopts the *National Security Strategy, the Defence Strategy* and the *CAF Long-term Development Plan*.

The Government of the Republic of Croatia proposes the defence budget as a part of the *state budget*. The Government also proposes the *National Security Strategy, Defence Strategy* and the *CAF Long-term Development Plan* to Parliament. The Government submits the *Annual Report On The Readiness Of The Defence System, Conduct Of Personnel Policy And The Overall State Of The CAF*. The Government also adopts the *Defence Plan of the Republic of Croatia*.

The Ministry of Defence defines, coordinates, develops and conducts defence policy. It is responsible for the development of draft proposals for the following documents: *the Defence Strategy and the Defence Plan of the Republic of Croatia* as well as the development of the *Annual Report on the Readiness of the Defence System, Conduct of Personnel Policy and the Overall State of the CAF*. It is also responsible for the development of the *CAF Long-term Development Plan*. The MoD gives its endorsement to the proposed *Military Strategy of the Republic of Croatia*.

The General Staff of the Armed Forces of the Republic of Croatia develops proposals for the *Military Strategy, CAF Plan of Use, Decision on the CAF Size, Composition and Mobilization Development* and the *Decision on the Military-territorial Division of the Republic of Croatia*. The CAF General Staff also participates in the development of the *Defence Strategy*. According to the *Regulation on the Method of Planning, Programming, Development and Implementation of the Budget* it develops the *Annual Military Priorities*.

15.1.3. Personnel Management Policy

Personnel management policy is implemented through four main program areas: the recruiting program, the professional development program, the personnel support program and the

personnel transition and separation program. All four programs are whole and encompass civilian and military personnel. The system of personnel management in the MoD and the CAF is based on the presumptions of defence policy, available resources and evaluation of future needs. Priorities in the development of this system are: optimization of personnel numbers, rejuvenation, raising the education structure, advancing the system of training and education, raising the quality of life, development of personnel doctrine and measures for a consistent, correct, unbiased and objective approach to personnel management, improving the personnel information system and the readiness management system.

Changes to the law and regulation on standards of professional development and the starting of the civil-military education mechanism have created the basis for a new system of personnel management that enables rejuvenation of the CAF.

Main personnel management system tasks for the year 2007 are:

- Reorganization of the personnel management system and establishment of a singular organizational and information system;
- Establishment of a singular personnel management system, which will have the Personnel management centre as a component part. Transfer authority to newly organized bodies;
- Increase the life standard of personnel;
- Implement the system of rotation at duties by the end of 2007;
- Adoption of the personnel management concept;
- Development of the human resources management doctrine by the end of 2007;
- Achieving the targeted CAF numerical size by the end of 2009. (16 000 active military personnel and 2000 civilian personnel), while improving the overall personnel age and education structure;
- Recruitment of 110 officers and 800 enlisted;
- Introduction of a new category of military personnel – the military specialist. With an aim to retain and recruit specialist personnel, as well as ensuring a more effective functioning of the overall defence system. Military specialists will primarily be developed in expert-functional areas and their careers will clearly be separate from the careers of officers and NCOs.
- Improvement of the procedure for attracting and selecting personnel for service in the CAF. Special attention will be given to attracting deficit fields of vocation;
- Introduction of up to 275 new NCOs yearly;
- Adjustment and improvement of evaluation procedures;
- Conduct test evaluations in one CAF branch;
- Adoption of the concept of education for CAF needs which will be the basis for the establishment of a targeted system of training and education. This concept is divided into five project tasks (Classification of military education according to levels, Development of a model of military-vocation education, Intensifying education of the English language, Introduction of a new method of adopting and maintaining knowledge and the development of “The Croatian Military Education Standard”). The mentioned project tasks will achieve:
 - The targeted status of education and professional development for officers/NCOs according to levels of education or military-course contents (modules),

- The targeted status of education and professional development for military-vocation officers or a targeted specialization of military specialists and development of a functional education model,
- Quickened education of foreign languages, primarily for personnel to whom language knowledge is essential in performing their duties, by sending them on education and/or by supporting their language education and refreshment in an adequate manner,
- Introduction of a new manner of acquiring knowledge that is based on possibilities in modern information-communication technologies and systems of electronic education,
- Introduction of suitable military education standards that will encompass education contents, criteria for acquiring knowledge, skills and capabilities by students, evaluation of students and education staff,etc.

In the coming period, suitable attention will be given to the program for conversion of military personnel into civilian personnel. Activities under the “SPECTRA” program can be divided into different programs: informing, transition workshops, expert qualification, advice and assistance in finding employment, employment and self-employment in cooperation with the Croatian employment agency, reintegration of separated personnel and organization of targeted expert preparations, necessary for finding employment, as well as extending other types of special assistance in this area. During 2007 the Transition division and regional transition sections planned to encompass 800 personnel within the SPECTRA Program support programs as well as a continuation of financing through donations from the Kingdom of Denmark, that would enable expert qualification primarily of SPECTRA Program users through computer courses.

The «Cadet» civil-military education program continues and the 4th generation of cadets has been registered for the 2006/2007 academic year.

Changes in the MoD and CAF personnel structure following the downsizing process are shown in the following tables:

1. The structure of personnel in the MoD and CAF on December 31. 2006 according to categories:

CATEGORY	NUMBER OF PERSONNEL
OFFICERS	4.965
NCOs	6.927
ENLISTED	6.220
ACTIVE	18.112
STATE OFFICIALS	6
CIVIL SERVANTS	1.890
CIVIL EMPLOYEES	3.866
CIVIL SERVANTS AND EMPLOYEES	5.762
ACTIVE COMPONENT	23.874

2. Implementation of the “Separation Plan for 2006” by categories:

CATEGORY	2006.	
	PLANNED	ACHIEVED
OFFICERS	694	539
NCOs	713	821
ENLISTED	470	606
ACTIVE	1.877	1.966
CIVIL SERVANTS AND EMPLOYEES	1.223	162
ACTIVE COMPONENT	3.100	2.128

15.2. FORCE PLANNING

15.2.1. SIZE, STRUCTURE, PERSONNEL, MAIN WEAPONS SYSTEMS

Organization and Command of the CAF

The organization and command of the CAF are defined by the *Constitution, Defence Law and the Armed Forces Service Law*. The President of the Republic of Croatia is the Supreme Commander of the CAF. The MoD is managed by the Minister of defence. The CAF General Staff is a constituent part of the MoD, headed by the Chief of the CAF General staff, who is superior to the CAF commands and units. He answers to the President of the Republic and the Minister of Defence for his work. In the event of a direct threat of war or in the event of war, the President of the Republic of Croatia or the Supreme Commander directly commands the CAF through the Chief of the CAF General Staff.

The CAF prepare and train for conducting all forms of armed combat and have a peacetime and wartime structure. The peacetime structure consists of personnel serving in the armed forces (active military personnel: officers, NCOs, enlisted and conscripts; civilian personnel: civil servants and civil employees). The wartime structure, besides the peacetime structure, also includes members of the CAF reserve component.

The CAF are organized into staffs, commands, units and organizations, and they consist of branches, services and specialities. The branches are: the Croatian Army, the Croatian Navy and the Croatian Air Force and Air Defence.

The Republic of Croatia develops its armed forces with an aim to become NATO interoperable and functional in the organization of the allied forces. They should also be deployable, adaptable, effective and supplied with modern equipment, in accordance with available resources. The armed forces are a significant support element of foreign policy contributing to the development of good-neighbourly relations and also global stability and security. They give significant attention to the development of capabilities needed for participating in international operations.

Structure of the CAF

- a) The Croatian Army is the most significant and numerous component of the CAF. It is responsible for the conduct of defence operations independently and with the participation and support of other CAF branches.

The Croatian Army Command has the following staff units: anti-armour – artillery missile brigade, artillery-missile brigade, engineering brigade, military-intelligence battalion, special operations battalion, NBC battalion, military police battalion and signals battalion.

Corps are the largest CAF operative units that are comprised of brigades. They consist of combat units, combat support units and combat support services that are replenished with professionals, conscripts and members of the reserve component. The corps are capable of conducting operations independently over a longer period of time with the possibility of accepting new forces or separating their own forces into other areas. The corps have operative jurisdiction over the territory in the given area of responsibility, meaning they are organized according to a geographical-territorial principle.

With an aim to rationalize the Croatian Army system of command preparations have been made for the coming discontinuation of the remaining two Army Corps in the transitional period toward a new CAF organization without a corps structure.

- b) The Croatian Navy acts independently and jointly with other branches. The role of the Croatian Navy is to defend the integrity and sovereignty of the Republic of Croatia, promote and protect its interests on the Adriatic Sea, islands and coastal region. The Croatian Navy is responsible for and organizes the naval defence of the Republic of Croatia.

The Croatian Navy jurisdiction encompasses the territorial sea, islands, inner sea waters and deep waters over which the republic of Croatia exercises full sovereignty and sovereign rights for the exploitation of the sea waters and the sea floor. The Croatian Navy is included in: search and rescue activities, maritime traffic control, prevention of criminal and other illegal acts by ships, protection of natural resources and the environment, assistance to ships, assistance in fire fighting activities, as well as during other disaster relief activities.

- c) The Croatian Air Force and Air Defence is a CAF branch intended to ensure sovereignty over the air space of the Republic of Croatia and to provide air support for other branches in the conducting of their tasks in joint operations. It is responsible for and organises the integrated system of air defence of the Republic of Croatia.

15.2.2. Deployment Of The CAF

The CAF are mostly deployed on the territory of the Republic of Croatia, while smaller portions are located beyond its borders in peace support operations. Over the passed one year period the Republic of Croatia was included for the first time in the UNMIS and UNOMIG peace support operations.

Peace Support Missions In Which CAF Members Participated in 2006, Including ISAF:

Overview of CAF Member Participation in UN Peace Support Mission

No.	Country	Mission Name	Numerical status			Note
			officers	NCOs	enlisted	
1.	India – Pakistan	UNMOGIP	8	-	-	-
2.	Ethiopia – Eritreja	UNMEE	4	-	-	-
3.	Sudan	UNMIS	5	-	-	-
4.	Georgia	UNOMIG	2	-	-	
5.	Cyprus	UNFICYP	4	-	-	
6.	Western Sahara	MINURSO	5	-	-	
7.	Liberia	UNMIL	3	-	-	
8.	Ivory Coast	UNOCI	3	-	-	
9.	Haiti	MINUSTAH	2	-	-	-
Total Members			36	-	-	-

For 2007, a mission in Lebanon (UNIFIL) is planned for up to 150 CAF members.

15.2.4. CAF Training

The CAF training system includes the training of conscripts, training of reserves and training of active military personnel. Institutional training and education at CAF academies and schools has special importance, including the education of commanders and staffs on modern simulation systems, which can create the conditions for complex and realistic training. Standards used by NATO member countries are applied during training while the conduct of education is based upon our own knowledge and experience gained during the Homeland War.

The Joint Training and Education Command is under the direct command of the General Staff and has the following tasks:

- Conduct of inter-service education and the training of officers and NCOs;
- Proposing and developing CAF joint doctrine;
- Participation in the development of unique standards and measures for training and education in the CAF;
- Development of manuals for training and education.

The professional development of officers is based on 4 levels of education:

- Basic officer education,
- Advanced officer education,
- Command-Staff College,
- War College.

The Joint Training and Education Command conducts joint training and the obtaining of expert military knowledge at higher levels (Command-Staff and War colleges, the operative strategic simulation centre and higher NCO school) as well as specific knowledge (foreign languages, military-diplomatic education), while all CAF branches have their own training and education commands for specific branch training and education of individuals and units.

International Military Operations Centre is responsible for joint and additional individual training focused on tasks of the personnel selected for NATO/PfP and UN led operations. CAF members gain qualification for international military operations through basic training in their parent units and through training for concrete missions at the International Military Operations Centre. During 2004 the International Military Operations Centre received the UN certificate for the conduct of UN military observers' courses. Seven instructors at the centre have been placed on the UN list of instructors.

The development model for NCOs is based on a selection of the most successful and best quality soldiers that are sent for education and promoted to NCOs. Following basic training, they are sent for specialist training in order to gain skills and knowledge in a specific military activity, then to a unit. Having gained required skills, knowledge and experience, based on an evaluation of success as the main selection criteria, NCOs qualify for training and education in higher NCO positions. Besides regular training, this model also encompasses specialist courses for specific military duties as well as tactical and technical capabilities and is supplemented with higher NCO education as the highest level of NCO education.

Conscript service in the Republic of Croatia is mandatory for all fit male citizens having turned 18. Conscript service lasts 6 months. Training is conducted in training centres and in units of branches and specializations (three months of basic and specialist training followed by three months of final training). In the period of final military training a portion of soldiers attend the month long Basic Leadership Capabilities Course. The institution of conscientious objection exists in the Republic of Croatia, according to which draftees regulate their obligation through civilian service of their conscript period. Civilian service of the conscript period lasts 8 months.

One of the most important priorities of training and education in the CAF is the learning of foreign languages, a key aspect of intellectual interoperability with NATO, conducted by the Foreign Languages School. The School has departments for the English, German, and French languages while it tutors Italian. Classes are held at the central school in Zagreb and in two separate sections in Split and Osijek. Within the school a Centre for Individual Learning of Foreign Languages has also been established. In its work the school places emphasis on preparation of candidates for schooling and training as well as participation in peace operations abroad. A part of foreign language education is conducted through the education of personnel abroad.

The CAF training system will be focused on priorities of intensified training with the use of simulations in training at the tactical level, training for non-war activities as well as creating preconditions for the conduct of training with the assistance of computer simulations on the operative-strategic level. Furthermore, training will be conducted for peacetime tasks, tasks in response to asymmetric threats, tasks during a direct threat and war, engaging our own capacities and including experts and facilities for training in the military and civilian portions of the defence system. The Combat Training Centre has a significant place in the training of the Army and is a presumption for the development of training for joint operations.

During 2004 the MILES simulation system was placed into operative use which enabled a significant increase in quality of exercises on the terrain.

15.2.5. Equipping And Modernization

A) Realised equipping and modernization plans for 2006:

- Further conduct of the “Sky” project – equipping with radar systems for the control of air space;
- Further conduct of the “Sea” project – equipping with radar systems for the control of coastal space;
- Project development for equipping with Combat armoured personnel carriers on wheels (various models);
- Completion of construction of small anti-mine ship (MPMB) – entered into the Croatian Navy Fleet structure during November 2006;
- Equipping with non-combat vehicles for varied use (personal and terrain vehicles, terrain vehicles with anti-mine and ballistic protection, 5 and 10 ton transport vehicles).
- Acquisition of engineering machines and equipment for units intended to take part in NATO/PfP operations;
- Acquisition of NBC equipment for CAF needs (primarily for units intended to take part in NATO/PfP operations);
- Continuation of AN-32B transport aircraft modernization (phase 2 – first aircraft);
- Equipping of CAF units intended for participation in NATO/PfP operations with personal equipment.

B) Foreseen equipping and modernization programs for the year 2007:

- Completion of the “Sky” project – equipping with radar systems for the control of air space;
- Completion of the “Sea” project – equipping with radar systems for the control of coastal space;
- Project for acquisition of wheeled armoured personnel carriers of differing types – in accordance with the proposed dynamics of equipping for 2007 the introduction of 6 BOV-P12.7 armoured personnel carriers has been foreseen armed with remote controlled 12.7 mm machineguns;
- Acquisition of 10 Mi-171Š transport helicopters from the clearing debt with the Russian federation (beginning planned for 2007, completion planned for 2009)
- Acquisition of 5 Zlin-142 aircraft for selective training of pilots
- Continuation of equipping with transport vehicles of differing purposes (personal and terrain vehicles, terrain vehicles with anti-mine and ballistic protection, 5 and 10 ton transport vehicles);

- Continuation of acquisition of engineering machines and equipment for units intended to take part in NATO/PfP operations;
- Continuation of acquisition of NBC equipment for CAF needs (primarily for units intended to take part in NATO/PfP operations);
- Continuation of AN-32B transport aircraft modernization (phase 2 – second aircraft);
- Continuation of equipping CAF units intended for participation in NATO/PfP operations with personal equipment.

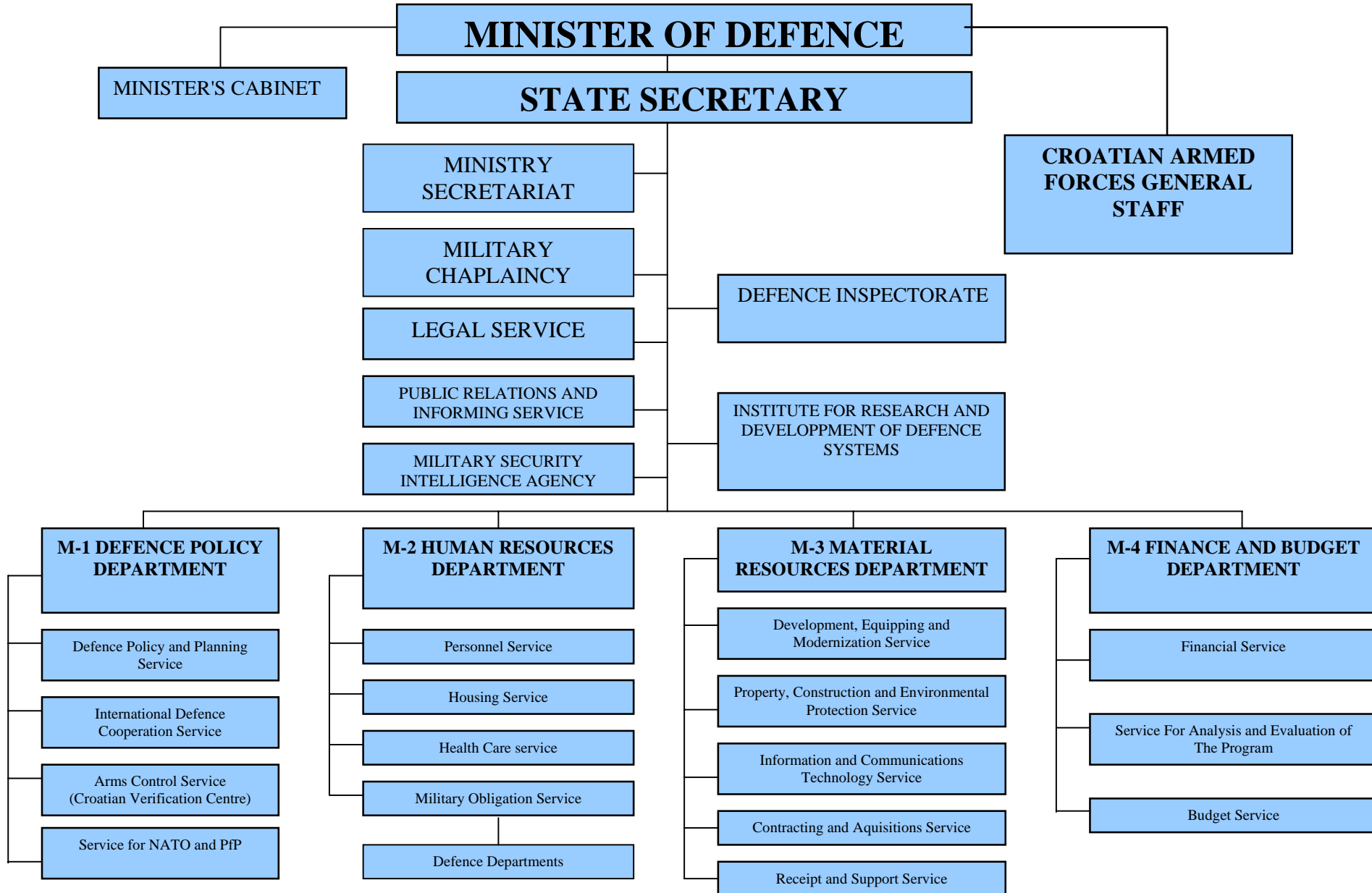
15.3. BUDGET INFORMATION

Budget information is provided in the annexes.

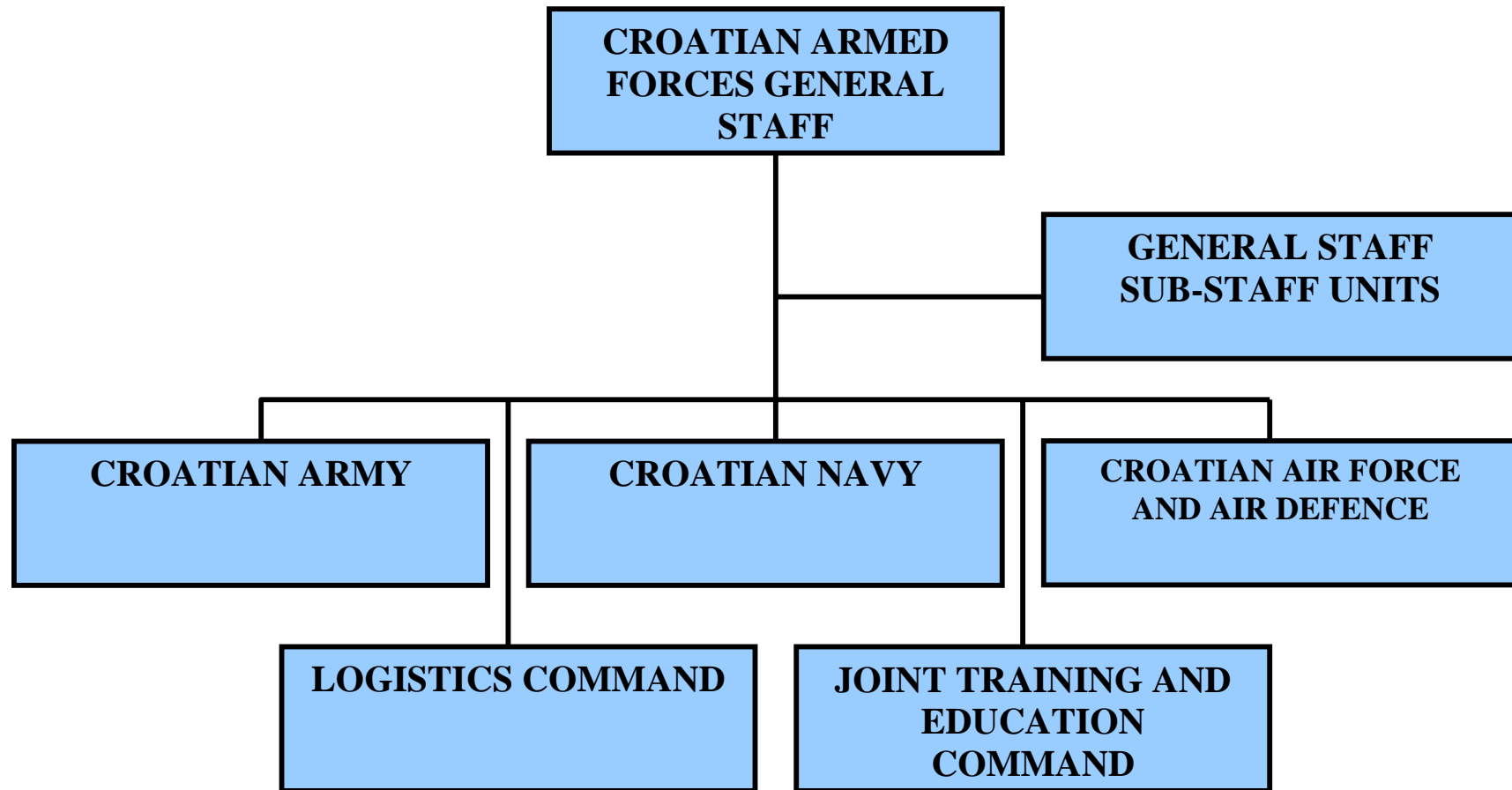
III. ANNEXES

1. Organization Of The MoD
2. CAF Organization Chart
3. Military Territorial Division of the Republic of Croatia
4. Organization Chart of the Croatian Army
5. Organization Chart of the Croatian Navy
6. Organization Chart of the Croatian Air Force and Air Defence
7. MoD and CAF Budget Implementation For 2006
8. MoD and CAF Budget for 2007
9. Changes in the GDP, state budget and Defence Budget 2003 – 2007
10. Projection of MoD Financial Plan over the 2008 – 2009 Period

ANNEX 1. – ORGANIZATION OF THE MINISTRY OF DEFENCE



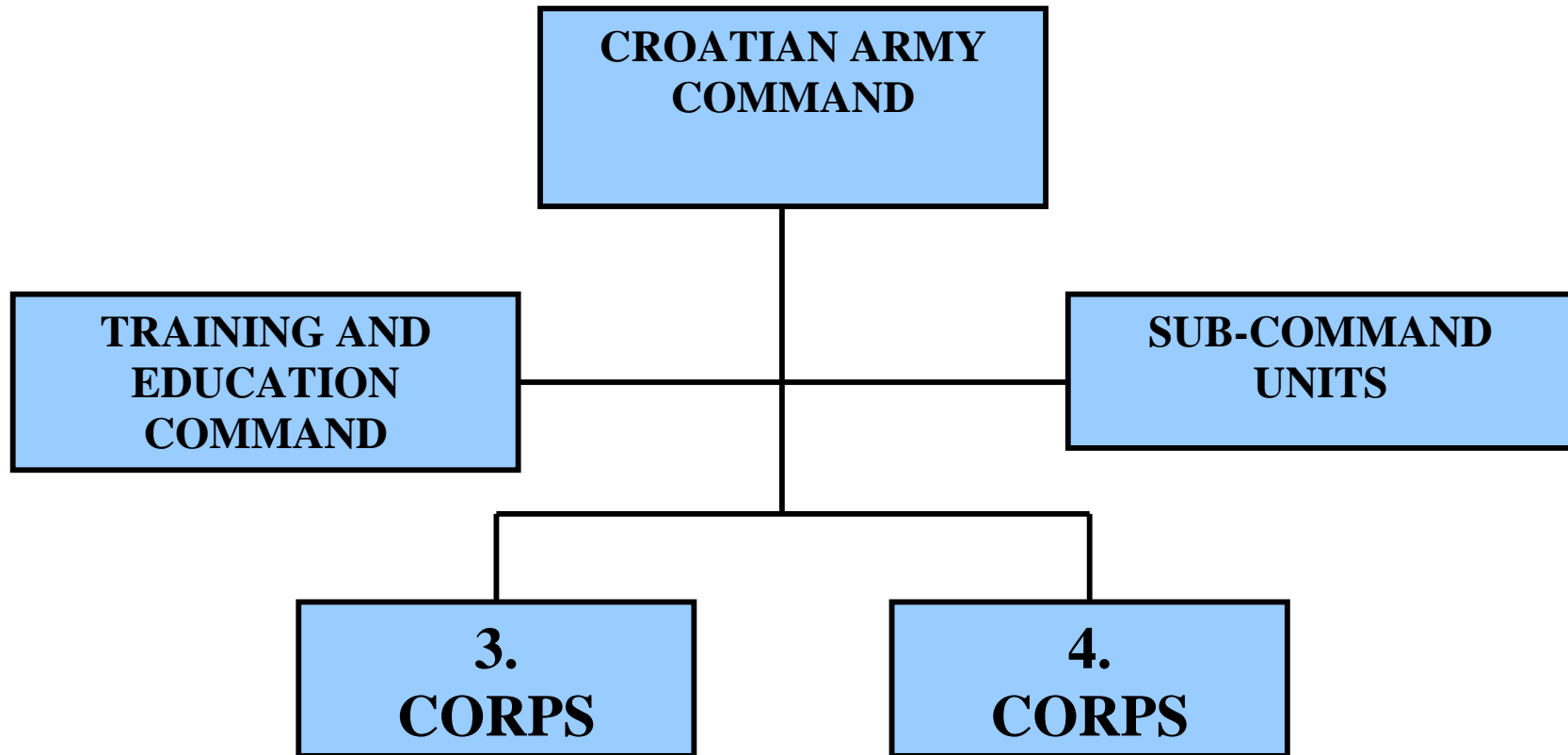
ANNEX 2. – ORGANIZATION CHART OF THE CROATIAN ARMED FORCES



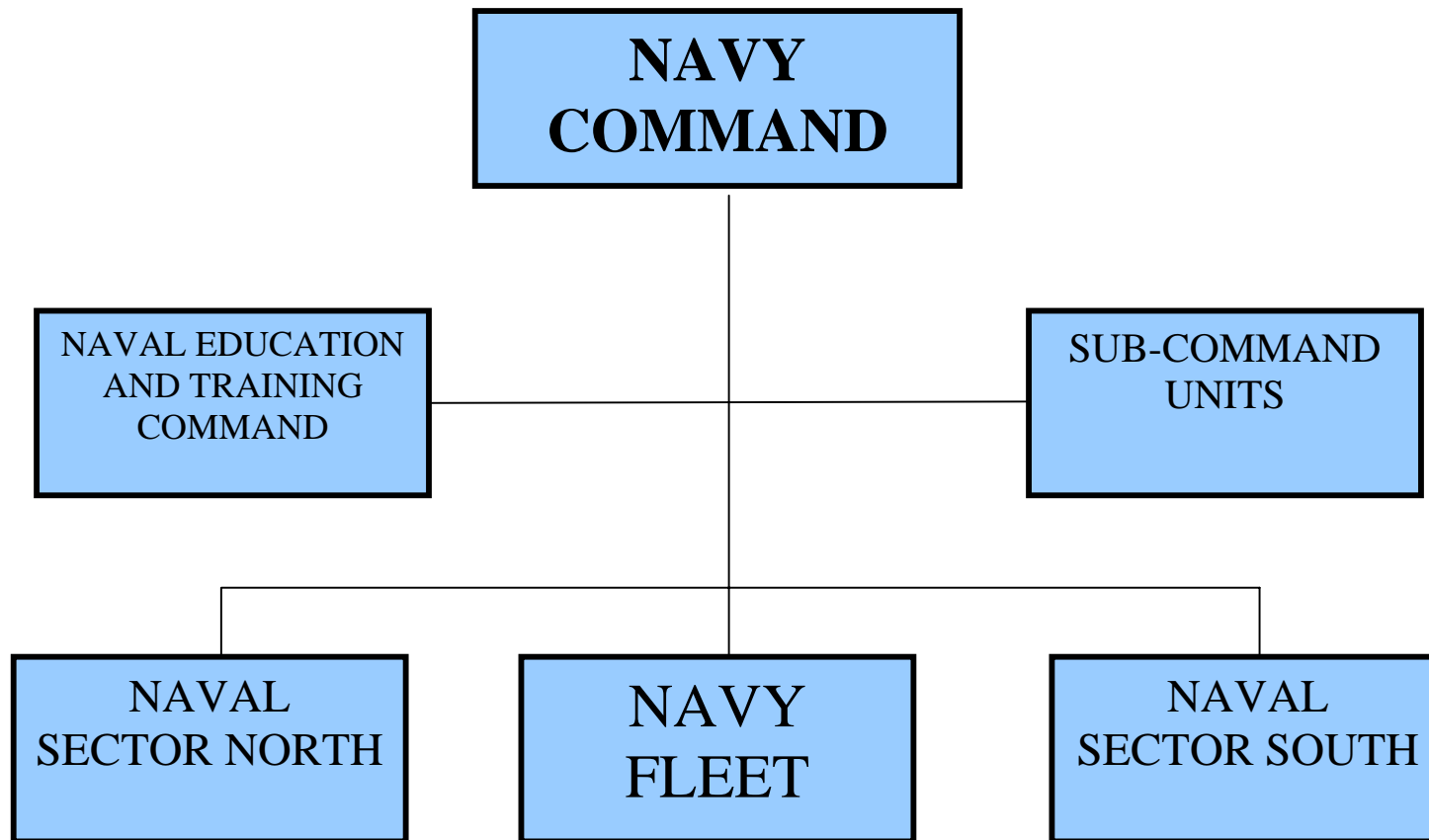
ANNEX 3. – MILITARY-TERRITORIAL DIVISION OF THE REPUBLIC OF CROATIA



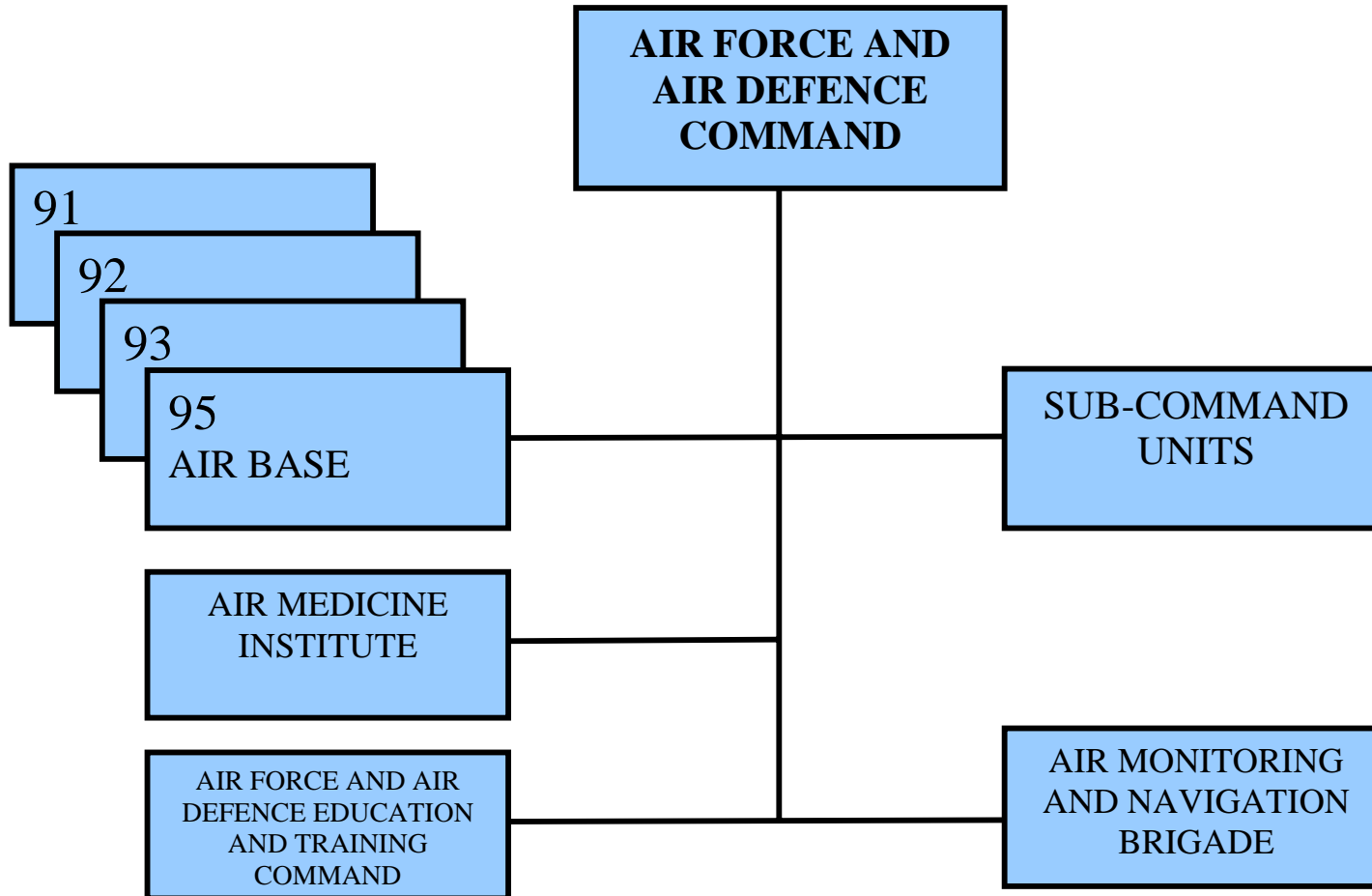
ANNEX 4. – ORGANIZATION CHART OF THE CROATIAN ARMY



ANNEX 5. – ORGANIZATION CHART OF THE CROATIAN NAVY



ANNEX 6. ORGANIZATION CHART OF THE CROATIAN AIR FORCE AND AIR DEFENCE



ANNEX 7. - MOD AND CAF BUDGET IMPLEMENTATION FOR 2006 IN EUROS

SUBJECT: CSBM / VIENNA DOC. 94 / DEFENCE PLANNING/INFORMATION ON MILITARY EXPENDITURES FOR THE FISCAL YEAR 2006

in 000 kn

NO.	PLACE OF EXPENDITURE TYPE OF EXPENDITURE	STRATEGIC FORCES	LAND FORCES	NAVAL FORCES	AIR FORCES	OTHER COMBAT FORCES	CENTRAL LOGISTICS MANAGEMENT & COMMAND - management		Paramilitary forces	Military assistance			NON-DISTRIBUTED	Total Military Expenditure	Civil Defence
							Management	IUC		Home territory	Abroad	UN Peace keeping			
	FISCAL YEAR BEGINS (MONTH/YEAR):	JANUARY 2006													
	The following information is provided in accordance with "15.3/15.4.1/15.4.2" (Designate one reference only):	15.3. Implementation of Financial Plan 2006													
1.	OPERATING COSTS		1.645.900	277.562	411.668	0	670.639	581.062	0	0	66.680	4.290	0	3.657.800	0
1.1	Personnel		1.324.534	181.818	263.903	0	383.385	395.523	0	0	32.420	3.544	0	2.585.126	
1.1.1	Conscripts		5.015	759	624	0		2.843						9.241	
1.1.2	Other military personnel, including reserves		1.232.095	162.225	238.160	0	204.539	303.160			32.420	3.544		2.176.142	
1.1.3	Civilian personnel		87.424	18.834	25.119	0	178.847	89.520						399.743	
1.2	Operations and maintenance		321.365	95.744	147.766	0	287.254	185.539	0	0	34.260	746	0	1.072.675	
1.2.1	Materials for current use		176.488	50.647	100.983	0	63.355	104.849			13.182	74		509.578	
1.2.2	Maintenance and repair		40.604	33.824	35.682	0	31.904	26.031			2.807	45		170.897	
1.2.3	Purchased services		60.270	5.112	4.266	0	35.625	24.953			9.372	3		139.600	
1.2.4	Rent costs		43		3	0	14.695	10			649			15.400	
1.2.5	Other		43.960	6.162	6.833	0	141.676	29.696			8.249	624		237.199	
2.	PROCUREMENT/CONSTRUCTION		137.300	42.672	42.956	0	88.782	37.965	0	0	25.819	1.126	0	376.621	0
2.1	Procurement		130.547	26.256	14.934	0	70.161	15.946	0	0	24.729	1.126	0	283.699	
2.1.1	Aircraft and engines		1.074	0	4.542	0	0	0						5.616	
2.1.2	Missiles incl. conv. warheads			0	0	0	0	0						0	
2.1.3	Nuclear warheads and bombs			0	0	0	0	0						0	
2.1.4	Ships and boats		1.339	18.673	0	0	0	0						20.012	
2.1.5	Armoured vehicles		14.437	0	0	0	0	0			2			14.439	
2.1.6	Artillery		888	109	0	0	0	0						997	
2.1.7	Other ordnance and ground force weapons		26.739	0	0	0	417	36			3.672	720		31.583	
2.1.8	Ammunition		0	0	0	0	0	0						0	
2.1.9	Electronics and communications		76.300	4.619	7.490	0	28.523	4.371			1.736	277		123.317	
2.1.10	Non armoured vehicles		3.339	469	525	0	19.316	1.000			15.978			40.627	
2.1.11	Other		6.430	2.386	2.377	0	21.905	10.540			3.341	130		47.108	
2.2	Construction		6.753	16.416	28.022	0	18.620	22.019	0	0	1.091	0	0	92.921	
2.2.1	Air bases, airfields		0	0	0	0	0	0						0	
2.2.2	Missile sites		0	0	0	0	0	0						0	
2.2.3	Naval bases and facilities		0	0	0	0	0	0						0	
2.2.4	Electronics etc.			0	0	0	0	0						0	
2.2.5	Personnel facilities		1.982	2.510	0	0	10.774	10.690			1.053			27.009	
2.2.6	Medical facilities			0	0	0	0	0						0	
2.2.7	Training facilities			0	0	0	48	167						214	
2.2.8	Warehouses, depots, etc.		198	0	0	0		7.484			37			7.719	
2.2.9	Command and adm. facilities			8.593	20.568	0	7.791	575						37.528	
2.2.10	Fortifications			0	0	0	0	0						0	
2.2.11	Shelters			0	0	0	0	0						0	
2.2.12	Land			110	0	0	0	2.484						2.595	
2.2.13	Other		4.574	5.203	7.454	0	8	619						17.857	
3.	RESEARCH AND DEVELOPMENT		112	688	14.196	0	4.173	2.909	0	0	46	0	0	22.123	0
3.1	Basic and applied research		112	688	14.196	0	4.173	2.909			46			22.123	
3.2	Development, testing and evaluation		0	0	0	0	0	0						0	
1+2+3	TOTAL		1.783.312	320.922	468.821	0	763.593	621.936	0	0	92.546	5.416	0	4.056.544	0

ANNEX 8. - MOD AND CAF BUDGET FOR 2007

SUBJECT: CSBM / VIENNA DOC. 94 / DEFENCE PLANNING/INFORMATION ON MILITARY EXPENDITURES FOR THE FISCAL YEAR 2007

in 000 kn

NO.	PLACE OF EXPENDITURE TYPE OF EXPENDITURE	STRATEGIC FORCES	LAND FORCES	NAVAL FORCES	AIR FORCES	OTHER COMBAT FORCES	CENTRAL LOGISTICS MANAGEMENT & COMMAND - management		Paramilitary forces	Military assistance			NON-DISTRIBUTED	Total Military Expenditure	Civil Defence
							Management	IUC		Home territory	Abroad	UN Peace keeping			
	FISCAL YEAR BEGINS (MONTH/YEAR):	JANUARY 2007													
	The following information is provided in accordance with "15.3/15.4.1/15.4.2" (Designate one reference only):	15.3. Financial Plan 2007													
1.	OPERATING COSTS		1.626.097	334.105	426.073	0	664.384	690.366	0	0	122.337	55.470	0	3.918.830	0
1.1	Personnel		1.369.554	206.901	257.357	0	353.329	464.653	0	0	51.450	22.910	0	2.726.154	
1.1.1	Conscripts		5.106	1.000	893	0	80	4.195						11.274	
1.1.2	Other military personnel, including reserves		1.272.050	183.449	236.335	0	195.062	356.671			51.450	22.910		2.317.927	
1.1.3	Civilian personnel		92.398	22.452	20.129	0	158.188	103.786						396.953	
1.2	Operations and maintenance		256.542	127.204	168.715	0	311.054	225.714	0	0	70.887	32.560	0	1.192.676	
1.2.1	Materials for current use		132.799	51.352	98.175		52.619	112.086			20.963	14.456		482.450	
1.2.2	Maintenance and repair		34.326	50.616	42.766		33.632	27.896			3.485	340		193.061	
1.2.3	Purchased services		58.436	15.115	18.953		49.307	41.902			24.303	9.001		217.015	
1.2.4	Rent costs		515	45	25		26.286	10.316			5.159			42.346	
1.2.5	Other		30.467	10.077	8.797		149.211	33.514			16.976	8.764		257.805	
2.	PROCUREMENT/CONSTRUCTION		179.256	74.202	92.297	0	98.238	75.863	0	0	34.776	7.410	0	562.042	0
2.1	Procurement		178.256	66.724	85.859	0	70.312	59.815	0	0	33.587	7.410	0	501.963	
2.1.1	Aircraft and engines				19.893			300						20.193	
2.1.2	Missiles incl. conv. warheads													0	
2.1.3	Nuclear warheads and bombs													0	
2.1.4	Ships and boats		500	25.393				1.052						26.945	
2.1.5	Armoured vehicles		59.550											59.550	
2.1.6	Artillery		500											500	
2.1.7	Other ordnance and ground force weapons		28.970				1.070	963			7.602	5.022		43.627	
2.1.8	Ammunition		5.505				0	45			1.590			7.140	
2.1.9	Electronics and communications		35.462	38.305	44.861		29.965	13.277			4.559	988		167.417	
2.1.10	Non armoured vehicles		8.200				13.179	13.153			16.374			50.906	
2.1.11	Other		39.568	3.027	21.105		26.098	31.024			3.463	1.400		125.685	
2.2	Construction		1.000	7.478	6.438	0	27.926	16.048	0	0	1.189	0	0	60.079	
2.2.1	Air bases, airfields		0	0	0	0	0	0						0	
2.2.2	Missile sites		0	0	0	0	0	0						0	
2.2.3	Naval bases and facilities		0	0	0	0	0	0						0	
2.2.4	Electronics etc.			0	0	0	0	0						0	
2.2.5	Personnel facilities						15.400	5.000						20.400	
2.2.6	Medical facilities			0	0	0	0	0						0	
2.2.7	Training facilities													0	
2.2.8	Warehouses, depots, etc.							7.750						7.750	
2.2.9	Command and adm. facilities			4.478	6.438		9.250	200						20.366	
2.2.10	Fortifications			0	0	0	0	0						0	
2.2.11	Shelters			0	0	0	0	0						0	
2.2.12	Land			3.000										3.000	
2.2.13	Other		1.000				3.276	3.098			1.189			8.563	
3.	RESEARCH AND DEVELOPMENT		3.182	2.451	4.639	0	12.811	14.611	0	0	0	0	0	37.692	0
3.1	Basic and applied research		3.182	2.451	4.639	0	12.811	14.611	0	0	0	0	0	37.692	0
3.2	Development, testing and evaluation		0	0	0	0	0	0	0	0	0	0	0	0	0
1+2+3	TOTAL		1.808.534	410.758	523.008	0	775.432	780.839	0	0	157.113	62.880	0	4.518.565	0

**ANNEX 9. CHANGES IN THE GDP, STATE BUDGET AND
THE DEFENCE BUDGET (2003 – 2007)**

In millions of kuna

YEAR	GDP	STATE BUDGET	DEFENCE BUDGET**	PORTION OF STATE BUDGET	
				IN GDP	IN STATE BUDGET
1	2	3	4	$5=4/2*100$	$6=4/3*100$
2003	193.063	87.979	4.813	2,49%	5,47%
2004	207.082	103.905	4.350	2,10%	4,19%
2005	221.969	102.935	3.997	1,80%	3,88%
2006	247.238	110.100	4.189	1,69%	3,80%
2007	266.628	117.119	4.636	1,74%	3,96%

**ANNEX 10. PROJECTION OF THE MINISTRY OF DEFENCE
FINANCIAL PLAN OVER THE 2008 – 2009 PERIOD**

	ITEM	2007 (Adopted financial plan)	2008 (projection)	2009 (projection)
1.	TOTAL MOD FINANCIAL PLAN	4.518.565.383	5.037.391.000	5.560.000.000
2.	MINISTRY OF FINANCE LOAN	117.434.617	80.608.654	80.000.000
1.+2.	DEFENCE BUDGET	4.636.000.000	5.117.999.654	5.640.000.000
<i>In millions of Kuna</i>				