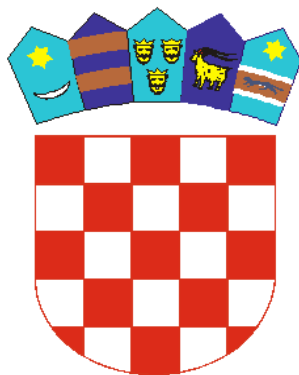


O S C E
FORUM FOR SECURITY COOPERATION



PARTICIPATING STATE

REPUBLIC OF

C R O A T I A

**ANNUAL EXCHANGE OF
INFORMATION ON DEFENCE
PLANNING 2008**

VIENNA DOCUMENT 1999

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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 2008.

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. The CAF Long Term Development Plan has been further elaborated through implementation plans in six functional areas: the Personnel Management Implementation Plan, the International Military cooperation Implementation Plan, the Equipping and Modernization Implementation Plan, the Property Management Implementation Plan, the MOD and CAF Strategic Communications Networks and IT Implementation Plan and the Research and Development Implementation Plan. Projects and activities foreseen within the Long Term Development Plan have been operationalized through the implementation plans, which will enable a gradual achievement of targeted capabilities by 2015. 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 2008.

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 determined to safeguard 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 the EU,
- Development of an effective defence system, based on the concept of collective security,

- Active contribution of the Republic of Croatia in building and advancing stability and security in the world,
- Development of the Republic of Croatia's capabilities to participate in peace support activities in the world.

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.

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.

During 2007 further progress was made in fulfilling conditions for NATO membership. As a result of continued Croatian advancement and the Alliance's political readiness for enlargement, an invitation followed for Croatian membership in the alliance, which was given at the NATO summit in Bruxelles in April of 2008.

Croatian participation in the entire process of integration and approaching membership in NATO took place within the framework of the Partnership for Peace (PfP) and the Membership Action Plan (MAP). During 2007 PfP participation was 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 during 2007 contained approximately the same number of activities during 2006, namely 484. Priority was given to activities that directly support implementation of Partnership goals, training of declared forces according to NATO standards, intensifying their participation in the concept of operative capabilities and NATO exercises open to partners. Furthermore it is significant to note training of personnel for performing duties in multinational staffs: activities in the area of Combined Joint Task Forces, operative planning,

staff procedures and operative military terminology. The process of standardization for participation in NATO committees and working bodies is being accelerated.

During 2007 the Republic of Croatia was host to several significant NATO/PfP conferences (*Conference of PfP Consortium, Conference of Commandants, NADC*). A number of courses in the Republic of Croatia for Iraqi forces were also offered. In 2007 two NATO/PfP exercises were conducted in the Republic of Croatia: IDASSA 2007 and NOBLE MIDAS 07. Croatia's hosting of the NATO NRF NOBLE MIDAS 07 exercise was of special significance, being under the responsibility of the Croatian Navy on the Croatian side.

Croatia continued to strengthen support for international efforts to establish stability and reconstruction in Afghanistan. By decision of the Croatian parliament the total number of CAF members in the ISAF mission was approved to be increased to 200 in 2007 and to 300 in 2008. Deployment of new forces in 2006 and 2007 engaged a total of 200 CAF members while Croatian diplomats and police officers were also engaged in the operation. In comparison with the previously mentioned increase, the force planning process has been initiated for 2008 when the number of CAF members will be increased to 300. In accordance with bilateral negotiations with Germany, additional forces will be deployed to the Provincial Reconstruction Team in Feyzabad during the second half of 2008. Participation in the ISAF mission represents the most significant Croatian engagement in an international peace support mission. It is one of the most concrete examples of support for the policies and goals of the alliance as well as a reflection of Croatia's determination and capability to actively oppose modern threats to its national security, but also to international security.

In December 2006 Croatian parliament adopted a decision for the Republic of Croatia to participate in Operation Active Endeavour (OAE). The belief was then expressed that it will demonstrate Croatia's solidarity with the allies and its determination to actively contribute to suppression of terrorist threats in the Mediterranean. At the same time participation in OAE will assist the CAF in achieving NATO standards in maritime operations, within the context of future membership in the alliance.

Within the framework of PARP the Republic of Croatia worked on the implementation of 44 goals in 2007 and will continue with the process of their implementation during 2008. 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 package of partnership goals is in full accordance with the level of ambition expressed in the SDR and LTDP. It is the same level of ambition Croatia will maintain in future Force goals.

During 2008 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 multinational 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 as well as their maintenance.

The Croatian IPP for 2008 contains a total of 361 activities and 97 activities outside the EAPWP. Of these, 65 activities will be carried out in the Republic of Croatia. Priority areas according to the number of activities are:

- Training and Education: 71
- Standardization: 41
- Consultations, command and control (C3): 34
- Exercises: 31
- Logistics: 31

In 2008 the Republic of Croatia will take part in 10 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. Four exercises (Cooperative Marlin, Combined Endeavour, Medceur and Adriatic Aurora) will be conducted on the territory of the Republic of Croatia.

Within the framework of participation in MAP as an official candidate for NATO membership, Croatia developed and delivered its Annual National Plan in September 2007 beginning a sixth cycle of Croatian participation in MAP. A meeting between the North Atlantic Council and Croatia on January 16th 2008 ended the sixth MAP cycle. The allies commended Croatia’s engagement and constructive approach to regional issues as well as the Croatian contribution to NATO lead operations.

Cooperation within the American-Adriatic charter between the three NATO aspirant countries and the USA is aimed at their mutual goal of the membership aspirant countries’ accession to NATO. Furthermore 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

regional aspect of the charter has shown to be very successful and upon the accession of Albania, Macedonia and Croatia to NATP it will continue to function as a forum for regional defence cooperation.

The partnership plan of defence cooperation within the framework of the American-Adriatic charter for 2008 encompasses 38 activities. The most significant event in the first quarter of this year was a meeting of defence ministers from American-Adriatic member countries with the American Secretary of Defence from February 19th to 21st in Washington.

The most activities this year are related to the Joint Medical Team from the A-3 countries. The sixth rotation of that team was deployed to the ISAF mission in March. Two joint military exercises have also been planned for 2008 within the framework of the A-3. Considering other activities it is also significant to mention a meeting between the Chiefs of Staff from A-3 member countries while meetings will also continue to be held at higher levels (deputy chiefs of staff, department heads, agency directors, service commanders), as well as various courses and training to be held (such as public relations courses, alpinist training, training of medical trainers etc.).

This year an exchange of evaluators for declared forces has been foreseen to evaluate the armed forces of all American-Adriatic charter countries (to be held in Albania, Croatia and Macedonia), as well as a meeting of certified NATO evaluators from charter member countries.

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. 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);

- Near the end of 2007 the Republic of Croatia had 17 accredited military attaches, 2 military advisors and 2 assistant military attaches in 36 countries. Preparations are underway for the opening of military diplomatic offices in Macedonia, Greece and the Ukraine.

During 2007 significant engagement of CAF members in UN peace support operations was achieved. The Republic of Croatia participates with 46 CAF members in 13 UN peace support operations. Members of the CAF continued to participate in 9 peace support missions: UNMEE (Ethiopia/Eritrea), UNMOGIP (India/Pakistan), MINURSO (Western Sahara), UNMIL (Liberia), MINUSTAH (Haiti), UNOCI (Ivory Coast), UNFICYP (Cyprus), UNOMIG (Georgia) and UNMIS (Sudan). In the second half of 2007 they joined 4 new missions: UNMIN (Nepal), UNIFIL (Lebanon), UNIOSIL (Sierra Leone) and BINUB (Burundi). Within the UNMOGIP mission in India and Pakistan, a high ranking officer from the CAF held the position of the mission's commander for a two year mandate. A presentation of engagement in individual missions has been provided as an annex to the report.

According to the number of UN missions in which it participates, the Republic of Croatia is currently the first among countries providing forces for UN peace support missions.

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.

In accordance with international military cooperation goals, key areas of multilateral activities in 2008 are:

- Cooperation within the framework of the EU,
- Cooperation within the framework of international institutions and organizations (UN, OSCE),
- Cooperation within the framework of regional defence initiatives (the South East European Defence ministers Forum – SEDM, the Quadrilateral, the South East Europe Cooperation Process – SEECP, the South Eastern European Clearinghouse Initiative – SEEC, as well as projects related to cooperation in the Mediterranean area (Adrion and V-RMTC),

- Other international defence activities (international conferences, seminars, international sports events and military games, weapons and military equipment fairs, Military ordinarate activities and others.).

In the field of cooperation with the UN, emphasis will be placed on activities related to participation of CAF members in UN peace support operations. In 2008, according to guidance from the CAF Long Term Development Plan 2006-2015, continued participation has been foreseen by Croatian officers in UN peace support missions where the Republic of Croatia is already participating, while priority will be given to including the first CAF units into UN peace support missions. A concrete offer for the inclusion of CAF units in the UN mission on the Golan Heights is related to assumption of the Slovak position (a company of up to 95 soldiers), in June 2008. Croatian parliament adopted a decision on March 28th 2008 for the participation of CAF members in the UN UNDOF peace support mission on the Golan Heights, where up to 100 CAF members will control the area of separation between Israel and Syria. Therefore in June 2008, CAF members will replace Slovak soldiers within the Austrian battalion on the Golan Heights.

At the beginning of 2008 45 CAF members were engaged in 12 UN peace support missions (continued participation in peace support mission in Ethiopia/Eritrea – UNMEE, India/Pakistan – UNMOGIP, Western Sahara – MINURSO and Liberia – UNMIL).

A significant step toward full professionalization of the CAF is the decision to not call recruits for conscript service. The Law on Changes and Amendments to the Law on Defence, adopted in Croatian parliament in July 2007, stipulated that Croatian parliament may adopt a decision to not call recruits for mandatory military service. The Government cabinet, with previous concurrence from the Supreme Commander, may propose parliament adopts the decision to not call recruits for mandatory military service. In the same manner, following the decision to not call recruits for mandatory military service, those that wish to, may up to the calendar year in which they turn 30 years of age, serve voluntary conscript service according to the regulations on voluntary conscript service. Women may also serve voluntarily and thus, in these cases, will also fall under conscript obligations. The regulation on voluntary conscript service is adopted by the Minister of Defence.

It has been foreseen that in the event of a direct threat or a state of war, the decision to not call recruits for conscript service will not be implemented.

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 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 services – the Croatian Army, the Croatian Air Force and Air Defence and the Croatian Navy
- Support Command
- The Croatian Military Academy
- Sub-Staff units.

The current structure of the CAF, shown in the annex to the report, is a result of gradual organizational changes conducted during 2007. Full implementation of the targeted CAF structure, defined in the CAF Long Term Development Plan, will be achieved during the year 2008.

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.

After its adoption in July 2006 by Croatian parliament, in 2007 the CAF Long Term Development Plan was elaborated by implementation plans in six functional areas: personnel management, international military cooperation, equipping and modernization, the property

management, MOD and CAF strategic communications networks and IT and research and development. The implementation plans operationalize projects and activities within the Long term Development Plan, which will enable a gradual achievement of targeted capabilities by the year 2015.

Defence Planning Levels

- a) Strategic planning is a component of defence planning in the framework of which legislative and executive government bodies define in the long term, 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 creates 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*. 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*.

With changes to the Law on Defence adopted in July 2007, the Defence Council was introduced with the following tasks: consideration of fundamental documents regarding defence, consideration of state and local government bodies in the area of defence, monitoring the conduct of reforms in the defence system and other issues when necessary. A session of the Defence Council is called by the President in concurrence with the Prime Minister, while they mutually decide upon issues that will be considered at the session.

The Defence Council consists of the President, Prime Minister, Parliament President, Minister of Defence, Minister of Foreign Affairs, the Interior Minister, the Minister of Finance, the CAF Chief of Staff, the Director of the State Department for Protection and Rescuing, the presidential advisors for national security and defence, the head of the president's office and the head of the president's military cabinet.

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 2008 are:

- Personnel management will be conducted according to plan, in four main program areas: recruiting, professional development, personnel support and personnel transition and separation.
- 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;

- 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;
- Increase the life standard of personnel;
- Organization of military-expert specialist classifications;
- Implement the system of rotation at duties;
- Establishment of the voluntary conscript concept within the CAF;
- Development of the human resources management doctrine;
- Adoption of the personnel management concept;
- Development of models and mechanisms for attracting personnel. Special attention will be given to attracting deficit fields of vocation;
- Maintain the targeted personnel structure with planned recruitment, assignments, promotions and separation of personnel;
- Transform and adjust the existing education system to the civilian system of higher education, through conduct of the education concept and project tasks. Continue to link to the university community and related civilian institutions.

According to the 2008 active military personnel recruitment plan the recruitment of 800 enlisted and 110 officers was planned for 2008 (in accordance with the CAF Long Term Development Plan 2006-2015). It is necessary to provide the public with information on the military calling and create a picture of the Ministry of Defence and the Armed Forces as a desirable employer and the best place to start a successful career through a strong media campaign, cooperation with secondary schools and universities and the unemployment agency.

In 2008 employment of 164 civil servants and employees has been planned 88 of them apprentices and 76 with work experience.

In 2007 the planned separation was continued of mainly older personnel that have fulfilled the legal conditions for pension, military personnel whose physical capabilities do not satisfy criteria for remainder in active military service as well as civilian and military personnel with inadequate levels of education. The realization of the Personnel Separation Plan for 2007 was at 83.80%.

This percentage is a result of the incomplete process of organizational separation of the Property Management Service and the Air Technical Agency. The same resulted in the previously mentioned number of separations for civil servants and employees.

The aim of the Personnel Separation Plan for 2008 is to chose, prepare for separation and separate 2357 personnel (1357 active military personnel and 1000 civil servants and employees).

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, 2007 according to categories:

CATEGORY	NUMBER OF PERSONNEL
OFFICERS	4.638
NCOs	6.750
ENLISTED	6.082
ACTIVE	17470
STATE OFFICIALS	5
CIVIL SERVANTS	1.808
CIVIL EMPLOYEES	3.367
CIVIL SERVANTS AND EMPLOYEES	5.180
Total	22650

2. Implementation of the “Separation Plan for 2007” by categories:

CATEGORY	2006.	
	PLANNED	ACHIEVED
OFFICERS	575	501
NCOs	615	457
ENLISTED	300	399
ACTIVE	1.490	1.357
CIVIL SERVANTS AND EMPLOYEES	850	604
Total	2.340	1.961

3. In 2007 the following number of personnel was recruited through the recruitment process:

- 760 enlisted that signed professional contracts for a period of three years,
- 47 officer candidates (younger higher-educated people) who have been accepted into active military service for an undefined period of time following completion of basic officer’s education,
- 43 civil servants and employees.

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.
- 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.

The current force structure is presented in the annexes to this report. Achievement of the presented structure began in 2007 and will be fully implemented by the end of 2008.

During 2007 the force structure was significantly changes and the basic characteristics of these changes were:

- **in the organization structure of the CAF General Staff** (currently in reorganization) significant changes have been planned (addition of two deputy CAF chiefs of staff, downsizing the number of departments from 8 to 6, establishment of an operative centre and a Military-discipline court with new tasks),

- in CAF General Staff sub-staff units, the reorganization of the Special Operations Battalion has been completed in order to achieve a strengthened structure of special forces for specific tasks and anti-terrorist activities. The reorganization of the Electronic Reconnaissance Centre has also been completed in order to adjust the intelligence-reconnaissance system to the new spectrum of threats. Reorganization of the CAF General Staff Centre and the Honorary Protective Battalion has also been planned.

- **in the structure of the Croatian Army**, a reorganization through gradual discontinuation of the corps structure is on the verge of completion, the number of guards brigades will be lessened from 4 to 2, the organization of one regiment-battalion sized unit for each service is underway as well as the reorganization of forces manned by active components and others (active-reserve-conscript) within the Training and Doctrine Command,

- **in the structure of the Croatian Navy**, reorganization is being conducted to adjust the entire structure of the Navy to new tasks and available resources including required adjustments for the establishment of the Coast Guard within the Croatian Navy Organization. The logistics-support portion of the structure is also being adjusted to meet the new development of naval forces,

- **in the structure of the Croatian Air Force and Air Defence** reorganization is being conducted reducing the number of air bases from 4 to 2 while also adjusting the support structure including the Command company, the Air Monitoring and Navigation Battalion as well as the Air Force and Air Defence training centre,

- the structure of what was the Education and Training command to date has been reorganized into the new Croatian Military Academy in accordance with the concept of the integrated education system,

- **the structure of the Support Command** (reorganization began at the beginning of 2008) will be significantly changed. A portion of the logistics and medical portions of the CAF branches will be taken under operative command in order to conduct the planned dynamics of their reorganization. All organizational units of the Support Command are currently under

reorganization which will enable the full implementation of the new concept of unified logistics support.

Beside the began reorganization of a larger portion of the CAF, changes have continued in downsizing the number of active military personnel and civil servants and employees in the CAF. Downsizing of the number of facilities used has also continued, currently at 141 (48 barracks, 23 training grounds and 70 storage facilities) which have also directly affected changes to the CAF structure. Currently 60% of the CAF component's reorganization has been completed, or is on the verge of completion, while the remaining components are being reorganized according to approved reorganization plans with slightly slower dynamics of manning with personnel due to late adoption of regulations in the area of personnel management.

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.

Peace Support Missions In Which CAF Members Participated in 2007, 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.	Ethioia – Eritrea	UNMEE	4	-	-	-
3.	Sudan	UNMIS	5	-	-	-
4.	Georgia	UNOMIG	3	-	-	
5.	Cyprus	UNFICYP	4	-	-	
6.	Western Sahara	MINURSO	7	-	-	
7.	Liberia	UNMIL	5	-	-	
8.	Ivory Coast	UNOCI	2	-	-	
9.	Haiti	MINUSTAH	3	-	-	-
10.	Nepal	UNMIN	2			
11.	Sierra Leone	UNIOSIL	1	-	-	
12.	Lebanon	UNIFIL	1	-	-	
13.	Burundi	BINUB	1	-	-	
TOTAL MEMBERS			46	-	-	-

15.2.3. CAF Training

The CAF training system includes the training of volunteer 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 Croatian Military Academy is under the direct command of the General Staff and has the following tasks:

- Conduct of inter-branch 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 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.

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.

15.2.4. Equipping And Modernization

a) Equipping and modernization programs that were conducted during 2007:

1. Further conduct of the “Sky” project – equipping with radar systems for the control of air space;
2. Further conduct of the “Sea” project – equipping with radar systems for the control of coastal space;
3. Project development for equipping with Combat armoured personnel carriers on wheels (various models);
4. 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).
5. Acquisition of engineering machines and equipment for units intended to take part in NATO/PfP operations;
6. Acquisition of NBC equipment for CAF needs (primarily for units intended to take part in NATO/PfP operations);
7. Modernization of the AN-32B transport aircraft was completed;
8. Equipping with the Zlin-142 aircraft for selective and basic training of pilots (5 were delivered);
9. Equipping with 10 Mi171Sh transport helicopters from the clearing debt with the Russian Federation;
10. Equipping of CAF units intended for participation in NATO/PfP operations with personal equipment.

b) Equipping and modernization programs planned for the year 2008:

1. Completion of the “Sky” project – equipping with radar systems for the control of air space;
2. Completion of the “Sea” project – equipping with radar systems for the control of coastal space;
3. Project for acquisition of armoured infantry fighting vehicles of differing types – in accordance with the contract signed with the PATRIA company in 2008, delivery is expected of 6 armoured infantry fighting vehicles of the AIFV-12,7 type, armed with remote controlled 12.7 mm machineguns;
4. Beginning of the acquisition of multi-purpose combat aircraft – 12 aircraft are planned to be acquired by 2011;
5. Acquisition of 10 Mi-171Š transport helicopters from the clearing debt with the Russian federation – so far 7 have been delivered, delivery of the remaining 3 helicopters is expected during 2008.
6. 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);
7. Continuation of acquisition of engineering machines and equipment for units intended to take part in NATO/PfP operations;

8. Continuation of acquisition of NBC equipment for CAF needs (primarily for units intended to take part in NATO/PfP operations);
9. Continuation of equipping CAF units intended for participation in NATO/PfP operations with personal equipment.

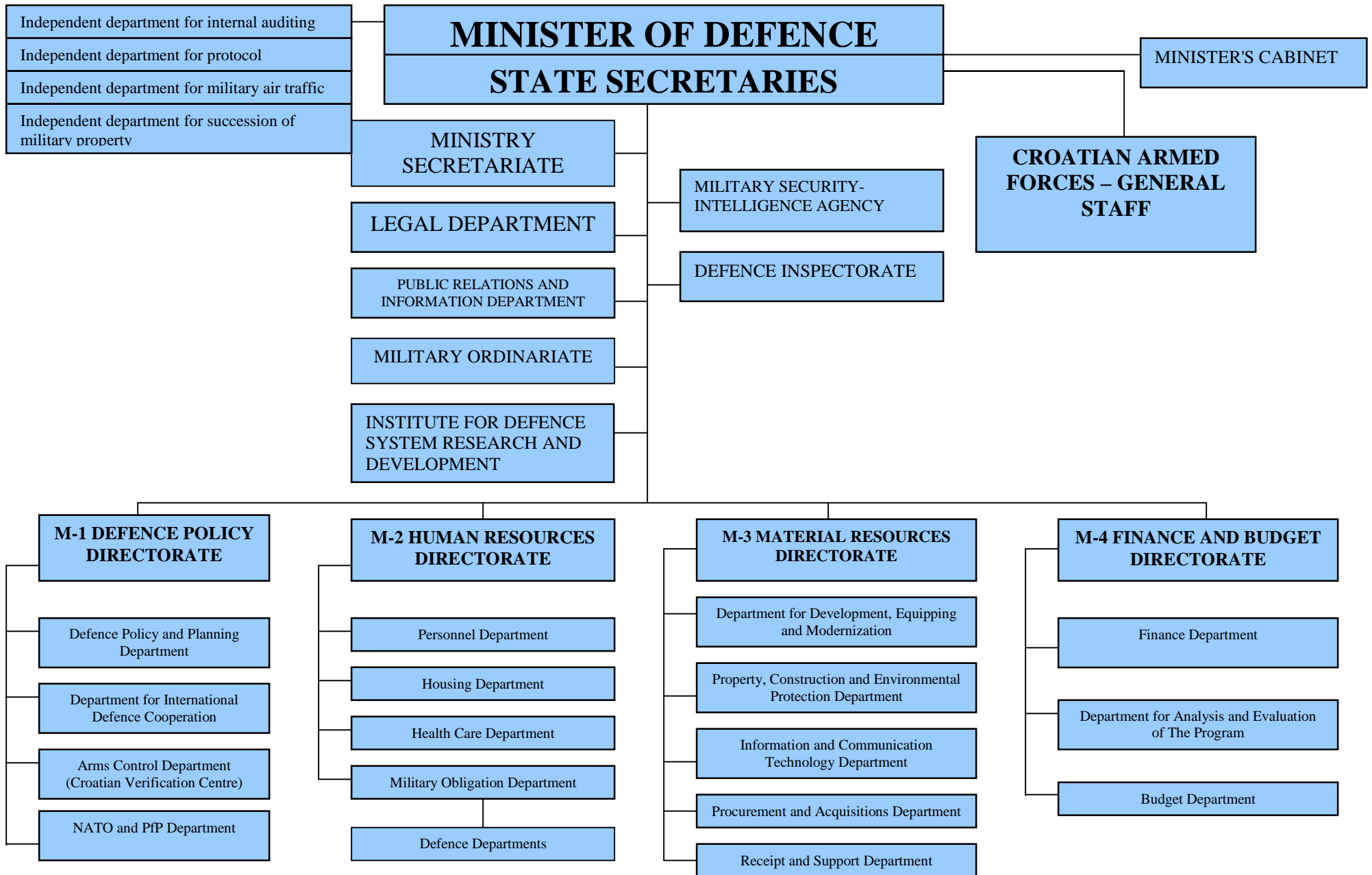
15.3. BUDGET INFORMATION

Budget information is provided in the annexes.

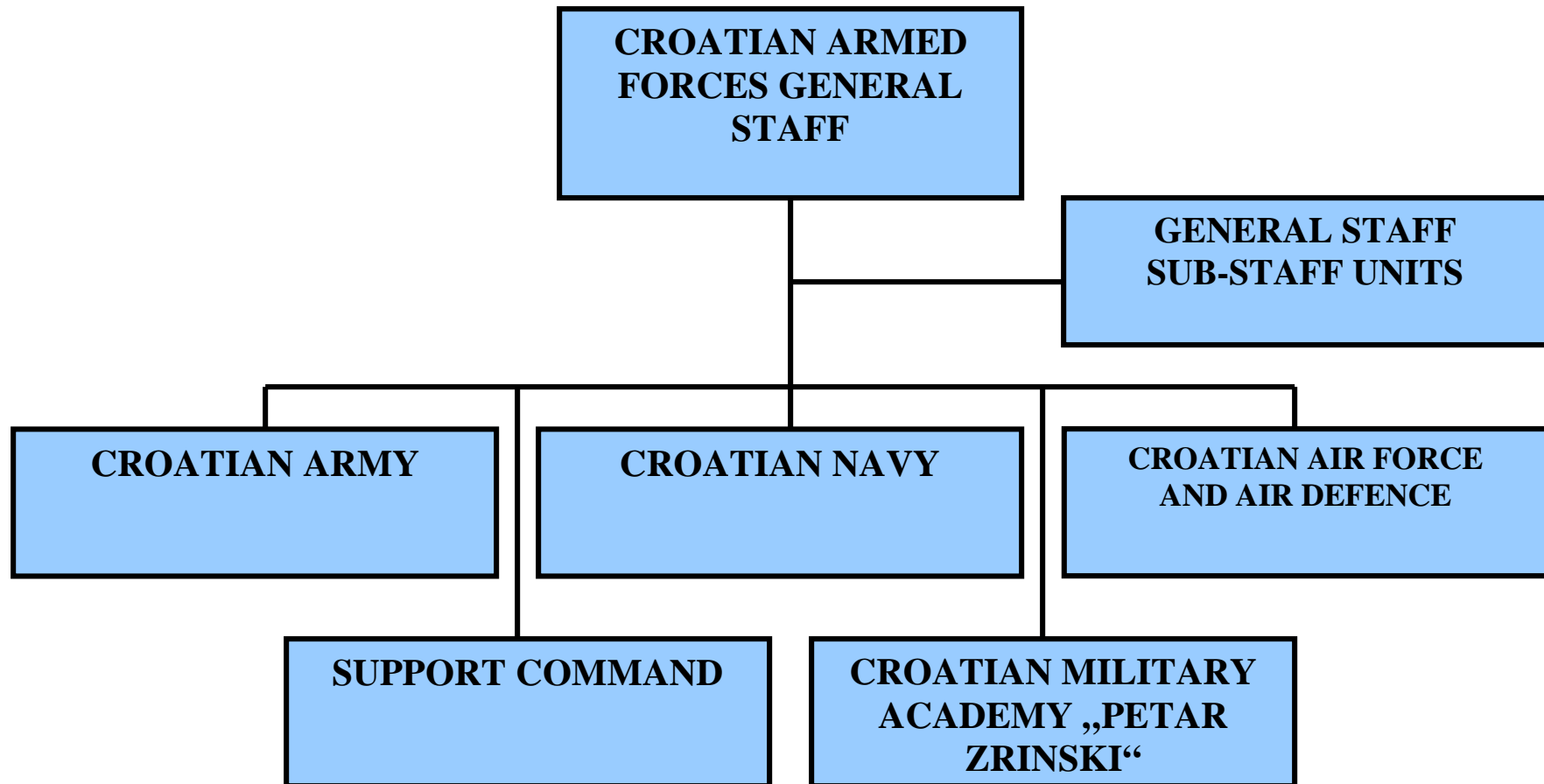
III. ANNEXES

1. Organization Of The MoD
2. Basic CAF Organization Chart
3. CAF Organization Chart
4. MoD and CAF Budget Implementation For 2007
5. MoD and CAF Budget for 2008
6. Changes in the GDP, state budget and Defence Budget 2003 – 2007
7. Projection of MoD Financial Plan over the 2009 – 2010 Period

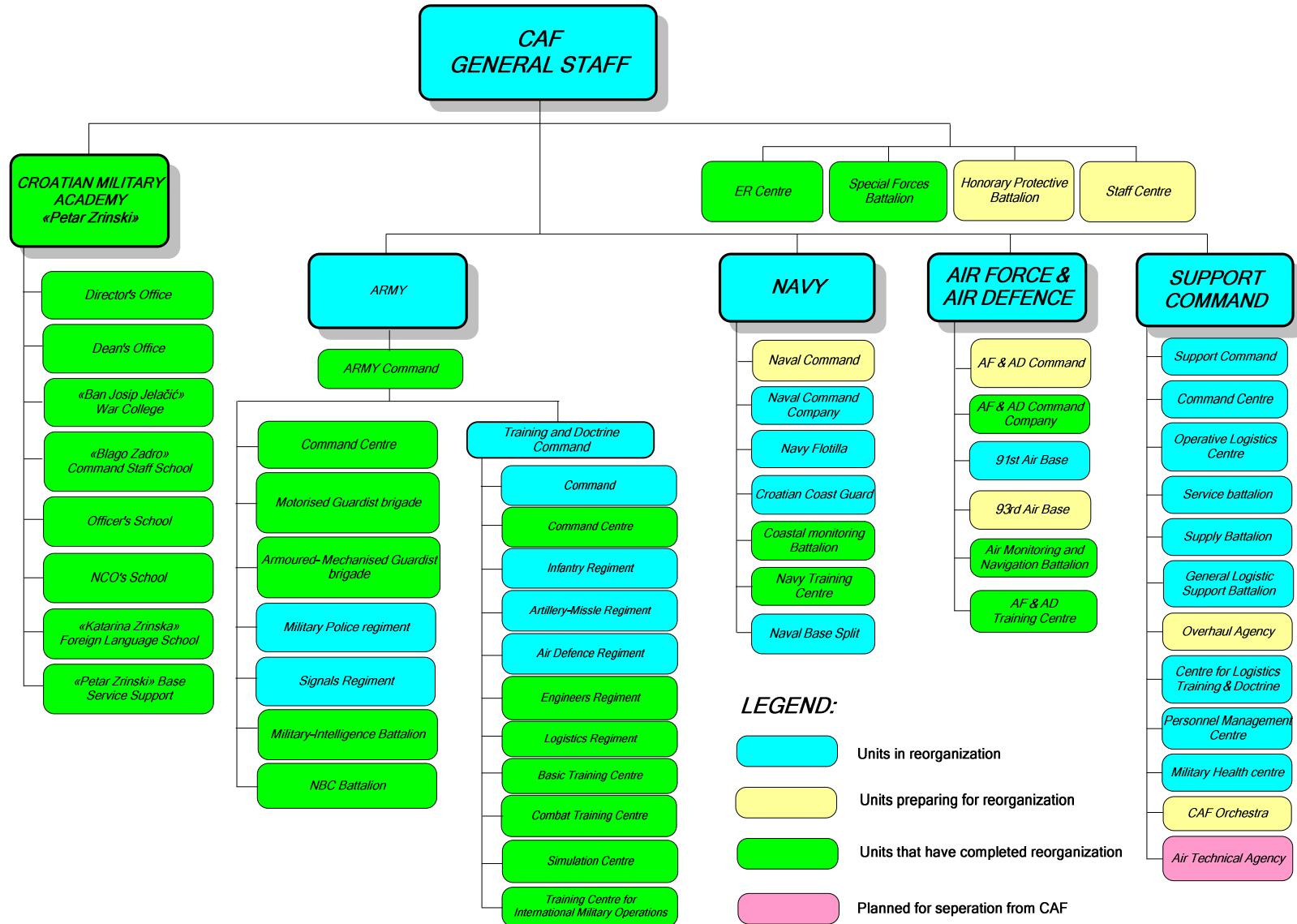
ANNEX 1. – MINISTRY OF DEFENCE ORGANIZATION STRUCTURE



ANNEX 2. – BASIC ORGANIZATIONAL STRUCTURE OF THE CROATIAN ARMED FORCES



ANNEX 3. – ORGANIZATIONAL STRUCTURE OF THE CROATIAN ARMED FORCES



ANNEX 4. – MOD AND CAF BUDGET IMPLEMENTATION FOR 2007 IN EUROS

SUBJECT:CSBM/VIENNA DOC.94/DEFENSE PLANNING/INFORMATION ON MILITARY EXPENDITURES FOR THE FISCAL YEAR 2007.															
in 000 EUR															
RESOURCE COSTS	FORCE GROUPS					Other combat forces	Central support administration and command		Paramilitary forces	Military assistance			Undistributed	Total military expenditure (1-12)	Civil defence
	Strategic forces	Land forces	Naval forces	Air forces	Support		Command	Home territory		Abroad	UN Peace keeping				
	1	2	3	4	6		7	8		9	10	11			
The Fiscal Year begins in (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. Information on previous expenditures													
1.	OPERATING COSTS		217.385	40.656	60.129	0	89.484	95.323	0	0	18.939	1.454	0	523.369	0
1.1	Personnel		180.356	26.157	37.846	0	53.281	64.972	0	0	12.361	635	0	375.609	0
1.1.1	Conscripts		365	58	47	0	0	157	0	0	0	0	0	626	0
1.1.2	Other military personnel, including		169.326	23.450	34.194	0	30.759	50.059	0	0	12.352	635	0	320.775	0
1.1.3	Civilian personnel		10.665	2.650	3.604	0	22.522	14.757	0	0	10	0	0	54.207	0
1.2	Operations and maintenance		37.030	14.498	22.283	0	36.202	30.351	0	0	6.578	819	0	147.761	0
1.2.1	Materials for current use		18.619	5.693	13.235	0	3.560	13.792	0	0	2.360	719	0	57.978	0
1.2.2	Maintenance and repair		4.686	5.795	5.744	0	4.067	4.552	0	0	247	1	0	25.092	0
1.2.3	Purchased services		10.028	1.833	2.399	0	5.584	5.987	0	0	1.307	0	0	27.138	0
1.2.4	Rent costs		68	16	2	0	2.828	1.396	0	0	124	0	0	4.434	0
1.2.5	Other		3.629	1.162	903	0	20.163	4.624	0	0	2.540	99	0	33.118	0
2.	PROCUREMENT/CONSTRUCTION		15.702	5.112	21.003	0	15.785	7.651	0	0	3.265	2.182	0	70.699	0
2.1	Procurement		15.383	4.019	19.105	0	11.764	5.187	0	0	3.170	2.182	0	60.810	0
2.1.1	Aircraft and engines		0	0	12.423	0	0	1	0	0	0	0	0	12.423	0
2.1.2	Missiles incl. conv. warheads		0	0	0	0	0	0	0	0	0	0	0	0	0
2.1.3	Nuclear warheads and bombs		0	0	0	0	0	0	0	0	0	0	0	0	0
2.1.4	Ships and boats		33	433	0	0	0	597	0	0	0	0	0	1.064	0
2.1.5	Armoured vehicles		0	0	0	0	9	0	0	0	0	0	0	9	0
2.1.6	Artillery		0	0	0	0	0	0	0	0	0	0	0	0	0
2.1.7	Other ordnance and ground force		3.725	0	227	0	211	23	0	0	919	911	0	6.015	0
2.1.8	Ammunition		164	0	0	0	7	0	0	0	0	0	0	170	0
2.1.9	Electronics and communications		4.211	3.210	4.878	0	3.597	822	0	0	140	43	0	16.902	0
2.1.10	Non armoured vehicles		2.481	0	1	0	4.362	1.264	0	0	1.562	0	0	9.670	0
2.1.11	Other		4.770	376	1.577	0	3.577	2.480	0	0	549	1.228	0	14.556	0
2.2	Construction		319	1.092	1.898	0	4.021	2.464	0	0	95	0	0	9.889	0
2.2.1	Air bases, airfields		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.2	Missile sites		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.3	Naval bases and facilities		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.4	Electronics etc.		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.5	Personnel facilities		0	0	0	0	713	1.665	0	0	0	0	0	2.378	0
2.2.6	Medical facilities		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.7	Training facilities		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.8	Warehouses, depots, etc.		0	0	0	0	0	147	0	0	0	0	0	147	0
2.2.9	Command and adm. facilities		0	272	1.557	0	2.621	0	0	0	0	0	0	4.450	0
2.2.10	Fortifications		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.11	Shelters		0	0	0	0	0	0	0	0	0	0	0	0	0
2.2.12	Land		0	820	341	0	0	238	0	0	0	0	0	1.400	0
2.2.13	Other		319	0	0	0	687	413	0	0	95	0	0	1.514	0
3.	RESEARCH AND DEVELOPMENT		48	61	45	0	1.011	418	0	0	26	0	0	1.609	0
3.1	Basic and applied research		48	61	45	0	1.011	418	0	0	26	0	0	1.609	0
3.2	Development, testing and evaluation		0	0	0	0	0	0	0	0	0	0	0	0	0
4.	TOTAL (1+2+3)		233.136	45.828	81.176	0	106.279	103.392	0	0	22.230	3.636	0	595.677	0

ANNEX 5. – MOD AND CAF BUDGET IMPLEMENTATION FOR 2008 IN EUROS

SUBJECT:CSBM/VIENNA DOC.94 DEFENSE PLANNING/INFORMATION ON MILITARY EXPENDITURES FOR THE FISCAL YEAR 2008.																		
U 000 EUR																		
Force groups Resource costs	Strategic forces	Land forces	Naval forces	Air forces	Other combat forces	Central support administration and command		Paramilitary forces	Military assistance			Undistributed	Total military expenditure (1-12)	Civil defence				
	1	2	3	4	5	6	7		8	9	10				11	12	13	14
	Support	Command	Home territory	Abroad ISAF	UN Peace keeping													
The Fiscal Year begins in (Month / Year)	January 2008.																	
The following information is provided in accordance with "15.3/15.4.1/15.4.2" (Designate one reference only):	15.3. Information on budget																	
1. OPERATING COSTS		236.535	49.175	62.448	0	108.540	111.603	0	0	30.888	5.214	0	604.403	0				
1.1 Personnel		198.955	30.380	38.161	0	63.554	69.003	0	0	17.710	3.595	0	421.359	0				
1.1.1 Conscripts		401	94	124	0	12	160	0	0	0	0	0	791	0				
1.1.2 Other military personnel, including reserves		194.038	27.707	34.955	0	33.570	48.038	0	0	17.710	3.595	0	359.614	0				
1.1.3 Civilian personnel		4.515	2.578	3.082	0	29.972	20.805	0	0	0	0	0	60.953	0				
1.2 Operations and maintenance		37.580	18.795	24.287	0	44.986	42.600	0	0	13.178	1.619	0	183.044	0				
1.2.1 Materials for current use		17.401	6.665	14.340	0	5.856	20.505	0	0	3.902	909	0	69.578	0				
1.2.2 Maintenance and repair		3.383	8.360	5.869	0	5.237	4.712	0	0	616	116	0	28.292	0				
1.2.3 Purchased services		11.731	2.421	2.458	0	7.838	7.231	0	0	3.750	311	0	35.739	0				
1.2.4 Rent costs		4	0	1	0	3.468	1.494	0	0	362	0	0	5.330	0				
1.2.5 Other		5.061	1.349	1.618	0	22.588	8.658	0	0	4.548	284	0	44.106	0				
2. PROCURMENT/CONSTRUCTION		39.051	15.818	41.152	0	11.351	20.858	0	0	3.476	793	0	132.500	0				
2.1 Procurement		34.195	14.491	38.038	0	9.488	13.853	0	0	2.995	793	0	113.852	0				
2.1.1 Aircraft and engines		144	0	33.821	0	0	1.462	0	0	0	0	0	35.427	0				
2.1.2 Missiles incl. conv. warheads		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.1.3 Nuclear warheads and bombs		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.1.4 Ships and boats		59	13.149	0	0	0	49	0	0	0	0	0	13.257	0				
2.1.5 Armoured vehicles		6.553	0	0	0	0	0	0	0	0	0	0	6.553	0				
2.1.6 Artillery		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.1.7 Other ordnance and ground force weapons		3.443	239	62	0	0	216	0	0	1.461	399	0	5.819	0				
2.1.8 Ammunition		0	0	0	0	8	23	0	0	263	71	0	366	0				
2.1.9 Electronics and communications		13.956	612	1.954	0	3.140	1.679	0	0	584	111	0	22.037	0				
2.1.10 Non armoured vehicles		5.959	0	550	0	1.706	4.686	0	0	0	0	0	12.901	0				
2.1.11 Other		4.082	491	1.650	0	4.633	5.737	0	0	687	212	0	17.492	0				
2.2 Construction		4.856	1.327	3.114	0	1.864	7.006	0	0	481	0	0	18.648	0				
2.2.1 Air bases, airfields		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.2 Missile sites		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.3 Naval bases and facilities		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.4 Electronics etc.		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.5 Personnel facilities		4.168	21	1.114	0	0	2.084	0	0	0	0	0	7.387	0				
2.2.6 Medical facilities		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.7 Training facilities		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.8 Warehouses, depots, etc.		0	0	110	0	254	1.059	0	0	0	0	0	1.424	0				
2.2.9 Command and adm. facilities		344	757	1.224	0	1.527	1.889	0	0	0	0	0	5.740	0				
2.2.10 Fortifications		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.11 Shelters		0	0	0	0	0	0	0	0	0	0	0	0	0				
2.2.12 Land		0	0	0	0	69	520	0	0	0	0	0	589	0				
2.2.13 Other		344	550	666	0	14	1.454	0	0	481	0	0	3.509	0				
3. RESEARCH AND DEVELOPMENT		1.041	263	355	0	2.839	1.307	0	0	69	0	0	5.874	0				
3.1 Basic and applied research		1.041	263	355	0	2.839	1.307	0	0	69	0	0	5.874	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+2+3)		276.627	65.256	103.955	0	122.731	133.767	0	0	34.433	6.007	0	742.776	0				

ANNEX 6. – CHANGES IN THE GDP, STATE BUDGET AND THE DEFENCE BUDGET 2002. – 2008.

In millions of Euros

YEAR	GDP	STATE BUDGET	DEFENCE BUDGET	PORTION OF STATE BUDGET	
				in GDP	in STATE BUDGET
1	2	3	4	$5=4/2*100$	$6=4/3*100$
2002	24.574	11.224	635	2,58%	5,65%
2003	26.447	12.052	673	2,54%	5,58%
2004	28.367	14.234	596	2,10%	4,18%
2005	30.407	14.101	562	1,84%	3,98%
2006	33.868	15.082	575	1,69%	3,81%
2007	36.524	16.044	610	1,66%	3,80%
2008	40.899	17.401	749	1,83%	4,30%

**ANNEX 7. – PROJECTION OF THE MINISTRY OF DEFENCE
FINANCIAL PLAN OVER THE 2008 – 2010 PERIOD**

	ITEM	2008 (adopted)	2009 (estimation)	2010 (estimation)
1.	MOD FINANCIAL PLAN	742.776.341	832.859.834	977.277.029
2.	LONG TERM LOANS IN MINISTRY OF FINANCE	9.603.085	9.737.246	9.582.913
1.+2.	DEFENCE EXPENDITURES	752.379.426	842.597.080	986.859.942
<i>1 Euro = 7,27 kn</i>				