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**Promotion and protection of all human rights, civil,
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including the right to development**

Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, Raquel Rolnik

Addendum

Mission to Croatia***

Summary

The Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, undertook an official visit to Croatia from 5 to 13 July 2010 to examine the realization of the right to adequate housing in the country and the achievements and difficulties encountered in its fulfilment, in particular in relation to post-conflict housing reconstruction and restitution, access to housing in the context of the transition from a State-run to a market economy, and current housing challenges and policies.

The first part of the report provides a brief overview of the evolution of the national housing situation in Croatia. The second part of the report discusses the challenges to security of tenure in transitional and post-conflict Croatia; analyses the realization of the right to adequate housing of vulnerable groups, including refugees, internally displaced persons, minorities, homeless people, low-income families and young people; and examines the present and future challenges of housing policies with regards to social housing, affordability, access to basic infrastructure and services, and participation and accountability in the design and implementation of policies. The Special Rapporteur concludes her report with a number of recommendations addressed to the Government of Croatia and to the international community.

* The summary is being circulated in all official languages. The report itself, contained in the annex to the summary, is being circulated in the language of submission only.

** Late submission.

Annex

Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context on her mission to Croatia

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I. Introduction

1. At the invitation of the Government, the Special Rapporteur on adequate housing undertook an official visit to the Republic of Croatia from 5 to 13 July 2010. The main purpose of the mission was to examine the realization of the right to adequate housing in the country, including the relevant institutional, policy and legal frameworks, in particular in relation to post-conflict housing reconstruction and restitution, privatization of socially owned housing during the transition from a State-run to a market economy, and the rights of vulnerable groups, including refugees, internally displaced persons (IDPs), minorities, low-income, and young people. In the course of her mission, the Special Rapporteur identified a number of additional issues affecting the right to adequate housing that will be developed in the present report.

2. In addition to Zagreb, the Special Rapporteur visited Knin, Kistanje, Zadar, Plitvice region, Osijek and Vukovar as well as numerous villages in those regions. During her visit, the Special Rapporteur met with high ranking officials and representatives of national and local government, international agencies as well as non-governmental organizations. The Special Rapporteur also met with former and current refugees, internally displaced people, settlers, returnees, minority groups and other people living in Croatia.

3. The Special Rapporteur expresses her warm gratitude to the Government of Croatia for the invitation, the constructive dialogue and openness, its support and provision of relevant information throughout and after the visit and its commitment to progressing in the implementation of the right to adequate housing.

II. General overview

4. The current housing situation in Croatia is strongly shaped by a complex combination of two factors: the effects of the armed conflict on housing and the transition from a State-run to a market-oriented approach to housing. In addition, the economic recession in the country has posed additional challenges to the already difficult housing situation.

5. In the last 70 years, Croatia has been involved in two wars and undergone two transition processes affecting its political and economic regime. At the end of the Second World War, Croatia became one of the republics of the then Socialist Federal Republic of Yugoslavia. Before the end of the century, the transition to a new political and economic regime was accompanied by Croatia's declaration of independence from the Socialist Federal Republic of Yugoslavia, which was followed by the 1991-1995 armed conflict.

6. In 1990, the Socialist Republic of Croatia, still part of the former Yugoslavia, adopted its present Constitution and organized its first multi-party elections. On 25 June 1991, Croatia declared its independence, which coincided with a Serbian rebellion supported by the Yugoslav National Army, resulting in the occupation of approximately one third of the Croatian territory. On 15 January 1992, Croatia's independence was recognized by the member States of the European Community and on 22 May 1992, the country became a Member State of the United Nations.¹

7. The war in Croatia from 1991-1995 led to the displacement of thousands of people within and from Croatia. The Serbian secession in eastern and western Slavonia, Banija,

¹ E/CN.4/2006/71/Add.3, paras. 8 and 9.

Lika, Kordun and the Knin region, and the creation of the so-called “Republic of Serbian Krajina” (hereinafter Krajina) in Croatia, led to over 220,000 ethnic Croat refugees fleeing these Serb-controlled territories to other areas of the country. After “Operation Storm” in 1995, the Croatian Army regained control of most of these territories leading to the displacement of some 300,000 ethnic Serbs, primarily to the then Federal Republic of Yugoslavia and also to Bosnia and Herzegovina, and to eastern Slavonia where Serbs remained in control until the Erdut Agreement of 1995 set out the peaceful reintegration of this territory into Croatia.² During this period, numerous ethnic Croats escaping from the war in Bosnia and Herzegovina arrived in Croatia and settled in the areas where Croatia had retaken control. They were mostly accommodated in the properties abandoned by the ethnic Serbs who had been forced to flee the region upon the defeat of the Krajina. At the end of the war, approximately 250,000 people were displaced within Croatia, 32,000 of whom were ethnic Serbs.³

8. The destruction of housing stock and infrastructure as a result of the war and the number of displaced persons and refugees caused significant difficulties in the access to adequate housing in Croatia. Since then, the Government of Croatia has made immense efforts to reconstruct damaged houses, restitute occupied private property, attract ethnic Croats who fled hostilities from other parts of former Yugoslavia to depopulated areas, and more recently to prepare the ground for the return of Croat refugees from abroad. Despite the achievements, the housing situation of numerous families affected by the war still remains unresolved and precarious.

9. In addition to the war, the transition from a socialist regime to a capitalist one posed additional challenges to the access to adequate housing in Croatia. During the socialist regime, public housing was a priority and most of the housing sector was organized under the system of socially owned housing. In the early 1990s, deregulation, privatization, and strengthening of free market relations were the characteristics of Croatian housing policy. Croatia embarked itself on the privatization of socially owned property in 1991. The holders of occupancy rights of socially owned apartments were allowed to purchase their apartments and the remaining occupancy rights were transformed into lease agreements. However, the complex legal framework stemming from the transition process entailed the loss of rights for many categories of former “occupancy tenancy” right-holders, which seriously affected their security of tenure and living conditions for years to come.

10. The impact of the armed conflict and the transition to a market economy on the housing situation in Croatia became all the more complex as a result of the cumbersome and inconsistent legal framework adopted in response to these changes, as well as the administrative inefficiencies and the sometimes discretionary application of the new regulations.

11. Although it was one of the most developed Yugoslav republics prior to 1991, Croatia’s economy suffered during the war and did not regain steady growth until 2000. Between 2000 and 2007, the economy enjoyed moderate growth and relative stability. However, Croatia still suffers from high unemployment and uneven regional development. More recently, the impact of the global financial crisis has been felt across all segments of Croatia’s economy and has deeply affected the housing sector. The economic situation and uneven regional development have resulted in further challenges to Croatia’s complex housing situation.

² E/CN.4/2006/71/Add.3, paras. 9 and 10; and Croatia: Housing rights and employment still preventing durable solutions; Internal Displacement Monitoring Centre (IDMC), September 2009; available from www.internal-displacement.org, p. 3.

³ IDMC, Croatia: Housing rights and employment still preventing durable solutions, p.1.

III. Security of tenure for holders of occupancy tenancy rights

A. Occupancy tenancy rights in a historical perspective

Occupancy tenancy rights during the socialist regime

12. Prior to 1991, occupants of socially owned dwellings had very strongly protected tenancy rights (better known as occupancy tenancy rights or OTR), including the right to live in their dwelling indefinitely and to transfer this right to direct family members. The system of occupancy tenancy rights emerged alongside the former Yugoslavia transition into a socialist self-managed economic system and presupposed the collective ownership and use of housing stock by the whole society. Socially-owned property was the product of either housing that became State-owned following the nationalization of private property after the Second World War, or properties that were State-built and owned. The Constitution of the former Yugoslavia had defined tenancy rights as family, social and property-related rights. The rights acquired by an OTR holder would guarantee the permanent use of residential property in order to satisfy personal and family housing needs. In 1971 and 1973, the Supreme Court of Croatia indeed ruled that acquired privileges, such as tenancy rights, had equal status in law as property rights.⁴

13. Tenancy rights were not acquired as a result of a universal social benefit but were based on personal financial contributions into a common housing fund by those who were granted tenancy rights. Obligatory housing-fund contributions were deducted from monthly salaries. People were not allowed to purchase or sell a socially owned apartment, but they acquired the right to occupy socially owned apartments in perpetuity through their contributions to the housing funds. Tenancy rights were also inheritable in perpetuity by members of the family of a deceased tenancy holder. Although OTR holders could not sell their apartments, they could exchange them for others.⁵

14. The rights and duties of OTR holders were generally regulated by the Law on Housing Relations, the last version of which was adopted in 1985. This law remained in force after Croatia gained independence and established the general conditions for the acquisition, use and termination of occupancy rights over apartments. Alongside a number of other grounds for the termination of occupancy rights, the Law stipulated in articles 95 to 99 that if the OTR holder and family members ceased to use the apartment for a period longer than six months without a valid reason, the occupancy right would be terminated. In this case, the competent disposal right-holders, i.e. socially owned enterprises, other non-economic institutions or municipalities, had to initiate a lawsuit in order to revoke the occupancy right. The initial intent of this provision was the intervention of the State in cases of unjustified non-use of an apartment by an occupancy right holder. Although this provision was not meant as a tool for the cancellation of occupancy rights during the war period, it was later primarily used as such.

Occupancy tenancy rights in the context of privatization and war

15. After 1991, the situation for OTR holders dramatically changed. A process of transformation of occupancy tenancy rights into ownership rights began that year as part of the widespread privatization and liberalization of the housing sector. In this context, most tenants were allowed to convert their tenancy rights into full ownership of their flats.

⁴ Verdict and decision of the Supreme Court of Croatia, No: Gž. 801/70-5,31 March 1971 and verdict of the Supreme Court of the Republic of Serbia No: Gž. 557/72-2, 17 January 1973.

⁵ *Idem*.

16. Upon the adoption of the 1992 Law on the Sale of Apartments with Tenancy Rights (*Official Gazette* 43/1992), tenancy right holders were given the right to buy socially owned apartments at favourable rates as a form of recognition for the contributions made during the previous regime into housing funds. However, persons without Croatian citizenship, such as many who were not ethnic Croats, did not benefit from this law. Together with them, several other categories of OTR holders were prevented from purchasing their flats, including persons who lost their OTR after abandoning their flats during the war, occupants of former federal army apartments, and occupants of nominally owned privatized apartments, as explained in detail in the following section.

17. The concept of occupancy tenancy rights was abolished in 1996 and those who had not been able to convert their tenancy rights into full ownership either lost all rights in relation to their flats or were converted into “protected renters” with fewer rights and safeguards than those enjoyed in the previous regime.

B. Deprivation of occupancy tenancy rights during the war

18. After 1991, the expulsion of Croats from the region of the Krajina resulted in a first mass arrival of displaced persons in Croatia. Upon the collapse of the Krajina in mid-1995, the majority of ethnic Serbs left this area for the Federal Republic of Yugoslavia and the parts of Bosnia and Herzegovina under control of Bosnian Serbs. At the same time, numerous Croats, mostly from Bosnia and Herzegovina, arrived in the areas where Croatia retook control.

19. After the mass flight of the Serbian civilian population, an urgent issue for the Government of Croatia was to administer the enormous quantity of abandoned residential property and temporarily allocate these to displaced persons in need of housing. This was officially declared as one of the Government’s main objectives, and a series of different laws were adopted in the war and post war-period to achieve this purpose. However, in practice such legitimate policies threatened the existing occupancy and ownership rights of ethnic Serbs.

20. The Organization for Security and Cooperation in Europe (OSCE) estimates that approximately 100,000 individuals, mostly ethnic Serb refugees and displaced persons fleeing urban areas in Croatia, lost their tenancy rights between 1991 and 1995.⁶ Most OTR holders, who had left their place of residence during the war, lost the tenancy rights on the grounds of prolonged absence during the war. The Government estimates that approximately 20,000 people lost their occupancy rights due to war-related absence alone. In most cases, court proceedings were based on the provisions for cancellation of rights of articles 95 to 99 of the previously mentioned Law on Housing Relations. Although the law stipulates the termination of rights after six months of absence when there is not a valid reason, the fact that occupants have abandoned their homes under duress (e.g. risk of death and injury, threats against personal safety and forced evictions by military officials) was not taken into account in court proceedings. Indeed, the Supreme Court’s jurisprudence held that war events as such did not justify the non-use of a housing unit. In most cases, OTR holders were not present when their rights were terminated.

21. Another form in which OTR holders, mostly ethnic Serbs⁷, lost their homes during the war relates to the illegal occupation of housing units by settlers. In addition to the Law

⁶ European Council on Refugees and Exiles, *Serb Refugees: Forgotten by Croatia*, 2010.

⁷ The Government estimates that ethnic Serbs represent 65 per cent of former tenancy rights holders whose tenancy rights were terminated and who are currently beneficiaries of the housing programme designed especially for them.

on Housing Relations, in 1991 Croatia adopted the Law on Temporary Use of Apartments which specified that apartments abandoned by occupancy right holders fell under the temporary administration of the Republic of Croatia, in order to provide accommodation to the growing number of displaced persons coming to Croatia.⁸ Apartments were granted for temporary use for a period of one year or more. This law aimed at the temporary administration of abandoned apartments, with a view to returning the property to the legitimate holder once the emergency was over. The transfer of the occupancy right to the temporary user was explicitly precluded and the temporary user had to return the apartment to the legitimate titleholder upon expiry of the period for temporary use.⁹

22. Further deterioration of occupancy rights occurred with the enactment of the Law on Lease of Flats in Liberated Territories in 1995.¹⁰ This law allowed for a large-scale permanent revocation of occupancy rights in the territory of the “Krajina” upon the date it fell under the control of Croatia. Pursuant to this law, occupancy rights ceased to exist if the occupancy right holder had not used the apartment for more than 90 days after the law had come into force.¹¹ This short deadline made it virtually impossible for Serb occupancy right holders -- who had fled the region immediately after the defeat of the “Krajina” and could not return until many years later -- to maintain their titles. Furthermore, in contrast to the termination of occupancy right pursuant to the Law on Housing Relations, which required a respective court decision after a judicial proceeding, the Law on Lease of Flats in Liberated Territories introduced the termination of the occupancy right *ex lege*, i.e. without any further administrative or judicial decision.

23. A further layer of dispossession of tenancy rights was created in 1996 when the Law on Areas of Special State Concern (*Official Gazette*, No. 44/1996) was adopted establishing a specific regime for conflict-affected areas. Under this law, in conjunction with the Act on Temporary Takeover and Administration of Certain Properties and related ordinances, the Government took temporary administration of abandoned property and assumed responsibility for the protection of such property. The Law on Areas of Special State Concern provided for the temporary allocation of abandoned apartments in these areas to Croat refugees coming from other parts of the former Yugoslavia. In this case, after 10 years of possession, settlers were allowed to become owners of the occupied housing unit.

24. The dispossession of occupancy rights of refugees, IDPs and returnees has been, together with the destruction of houses, one of the main housing challenges of post-war Croatia. From 2000 onwards, the Government has adopted a number of measures to respond to this need, with uneven success. A housing care programme was implemented to provide housing options to disposed OTR holders affected by the war. Although the programme has been rather successful, numerous applications remain unresolved. On the other hand, the repossession of illegally occupied property took several years to unravel, is almost completed now. A major outstanding issue is the reintegration, through restitution or compensation for lost property, of refugees still living in neighbouring countries. A more detailed analysis of these measures and their impact on the access to housing of refugees, returnees and IDPs is included below.

⁸ Law on Temporary Use of Apartments, *Official Gazette of Republic of Croatia*, No. 66/91, amended by the Law on the Amendments of the Law on Temporary Use of the Apartments, *Official Gazette of Republic of Croatia*, No. 76/93.

⁹ Article 8, paragraph 1, and article 9, paragraph 3, of the Law on Temporary Use of Apartments.

¹⁰ Law on Lease of Flats in the Liberated Territories, *Official Gazette of Republic of Croatia*, No. 73/95.

¹¹ This law shortened the deadline of six months of non-use of an apartment, as provided in the Law on Housing Relations for the termination of the occupancy right, to only 90 days.

C. Occupants of military dwellings

25. In addition to the difficulties endured by OTR holders who abandoned their houses during the war, the armed conflict necessarily included the loss of rights of occupants to military apartments. Upon adoption of the Law on Amendments to the Law on Sale of the Apartments on Which Tenancy Right Exist, in 1995 (*Official Gazette* No. 58/95), provisions were made for the sale of flats which had become State-owned under decrees relating to the repossession of apartments and other properties belonging to the army of the former Yugoslavia. Amongst other categories, the purchase of apartments was not allowed to those participating in hostilities against the Republic of Croatia. Evictions of tenants of apartments belonging to the Yugoslav National Army became frequent as a consequence of the application of article 94 of the Law on Housing Relations, which authorized the eviction of anyone who had moved into an apartment lacking valid legal grounds. The apartments were then often allocated to members of the Croatian Army who, under the Law on Temporary use of Apartments (*Official Gazette* No. 66/91), were subsequently allowed to purchase the property. Article 94 was later revoked by a decision of the Constitutional Court of 20 November 1996.¹²

D. Occupants of nominally owned and confiscated property

26. As part of the privatization of the housing sector initiative in 1991, occupancy right holders were given the possibility to transform their occupancy rights into full ownership by purchasing their flats on very favourable terms. However, occupants of nominally owned privatized apartments (flats with nominal owners) were denied the right to purchase their homes at favourable rates, although their tenancy rights had not been abrogated. Occupancy rights were abolished in 1996 and OTR holders who could not purchase their apartments, had their properties transformed into protected leases, or lost their OTRs.

27. In 1996, the Croatian Parliament adopted the Law on Lease of Apartments (*Official Gazette* No. 91/96), which deprived occupants of nominally-owned privatized apartments of their right to occupy such apartments in perpetuity. Nominal owners who wanted to re-occupy their apartments were allowed to do so, but were obliged to provide alternative accommodation to the occupant. The Law on Lease of Apartments in practice abolished tenancy rights to apartments in nominally private ownership. With the abrogation of these rights, the relationship between the nominal owner and the occupant became one between a lessor and a protected lessee, degrading former OTR holders to the status of a protected tenant with fewer rights and protections. Since 1998, nominal owners have no longer been required to provide suitable alternative accommodation, further weakening security of tenure of protected lessees.

28. As already indicated, occupants of nominally owned privatized apartments could not purchase their flats on favourable conditions, thus being effectively discriminated against. In addition, their right to resolve their household problems by exchanging their flats with other OTR holders in practice could not be realized. Accordingly, they were forced to remain in the same apartment regardless of the family situation, such as children growing up and needing a new home to live, or couples needing a bigger apartment when enlarging their family. Moreover, it has been brought to the Special Rapporteur's attention that to allow a new member of the family to live in the leased apartment, occupants are required to

¹² McBride, Jeremy, "Human rights issues arising from the termination of occupancy/tenancy rights in Croatia", Council of Europe; PCRED/DGI/EXP (2003); Strasbourg, 13 February 2003, paras. 22 and 34.

seek permission from the nominal owner. Unlike other OTR holders, protected tenants are also not allowed to perform any business activity in their flats or to own a vacant house anywhere in the territory of Croatia.

29. The Law on Lease of Apartments further affects the security of tenure of tenants since the nominal owner has the right to demand the eviction of a tenant. A protected tenant pays a State-controlled rent prescribed by law. However, rents for occupants of nominally owned apartments increased 60 per cent in 2005. Former tenants are now threatened with evictions, which are taking place with increasing regularity.¹³

30. Another complex situation is that of occupants of confiscated apartments. According to article 22 of the Law on Denationalization, private apartments that had been nationalized in the former Yugoslavia may not be returned to the original owners if OTR holders are living in them, however, the original owners were entitled to compensation. During the privatization process, occupants of nationalized apartments were given the possibility to purchase the property under the same favourable conditions offered to occupants of social or state-owned apartments. A different situation was that of occupants of confiscated apartments. Since confiscation, which mostly took place during the Second World War, was the result of individual decisions and not of a law formalizing the transfer of property, occupants of confiscated flats were not allowed to purchase their flats. While during the socialist regime no differences were made with regards to the origin of the apartment to be allocated to each tenant and all occupants had equal rights to their flats, those differences played a significant role in the rights afforded to each category of occupant during the privatization process, and impacted on the access to housing of each group.

E. Land registration

31. During the socialist regime, land titling was not a common practice in many areas. Official land records were not commonly available and people were not used to inscribing ownership to their land. After the war, a new set of regulations were adopted and a new organization of land tenure was set up whereby titling of land became vital. As occupants could not show any titles for their land, they could not prove ownership or apply to the programmes for housing reconstruction, property restitution and housing care adopted by the Government after the war. This created a new level of difficulty in people's access to housing.

32. A further conflict emerged as a direct consequence of the war whereby ethnic Croats took over the land of absent local Serbs, either with the authorization of local authorities (as for example the Commission for Temporary Takeover and Administration of Abandoned Properties in Benkovac Municipality) or without permission. Based on the national Law on Takeover of Specified Property of 1995, the authorizations to use the land were issued to Croat settlers and refugees for a period of eight years, in the same way in which abandoned Serb houses were allocated to temporary occupants.¹⁴

33. After the war, administrative procedures were not facilitated by the Government to help returnees take possession of their agricultural land. Most returnees had to initiate long and expensive court procedures in order to establish possession of their land. In Zadar, a solution was found to solve the issue of illegally occupied land, most of which has now

¹³ International Alliance of Inhabitants, "Croatia: Restoring tenant's rights to security of housing tenure", available at: www.habitants.org.

¹⁴ "Croatia: A decade of disappointment. Continuing obstacles to the reintegration of Serb returnees", Human Rights Watch, volume 18, No 7(D), September 2006, pp.27-29.

been returned to the original owners. However, no such procedures were adopted for illegally occupied land in the Dalmatian hinterland.¹⁵

34. While repossession of agricultural land for registered owners is on the way, the problem of bona fide land owners who had not registered their land in the period prior to the conflict remains unresolved.

IV. Access to housing of vulnerable groups and minorities in Croatia

A. The situation of refugees, internally displaced persons and returnees

35. Croatia faces a challenge in providing adequate and sustainable housing for the refugees and IDPs living within its borders. The total number of refugees living in Croatia is estimated to be 1,087, of which 809 are from Bosnia and Herzegovina, and 255 are from Serbia/Kosovo.¹⁶ Meanwhile, the number of IDPs living in Croatia is estimated to be 2,246; among these about two thirds are ethnic Serbs residing in the Croatian Danube Region.¹⁷ Over the past three years, the number of displaced people has remained fairly steady indicating that the remaining IDPs have been unable to find durable solutions.¹⁸

Barriers to return and reintegration

36. Returnees and IDPs face several barriers to return including the poor economic climate, and the slow (and initially discriminatory) implementation of legislation in areas such as property repossession, housing care, reconstruction and access to citizenship. This is exacerbated by the lack of access to utilities and services, the deficient integration of minority returnees, the complexity of the legal framework, and the discriminatory employment practices against minority returnees due to weak enforcement of Constitutional Laws protecting minorities at the local level.¹⁹

37. Access to adequate housing has been one of the major obstacles to the return of the refugees and displaced persons. Those most affected were former OTR holders of former socially owned apartments who have lost their occupancy rights and have applied to the housing care programme; owners of private property allocated for temporary use to displaced Croats and to Croat settlers; and owners of war damaged residential houses, who applied for State reconstruction assistance.²⁰

Reconstruction and reparation of war-damaged houses

38. The 1991-1995 armed conflict had a profound impact on the housing situation in Croatia. The war had a devastating impact on 49 out of the 102 former municipalities (48 per cent) and an estimated 195,000 housing units were destroyed during the war.

¹⁵ IDMC, "Croatia: Housing rights and employment still preventing durable solutions", p. 6.

¹⁶ UNHCR, "Estimate of refugees and displaced persons still seeking solutions in South-East Europe", 31 December 2009.

¹⁷ Idem., and IDMC, "Croatia: Population figures and profile"; available at: <http://www.internal-displacement.org>.

¹⁸ IDMC, "Croatia: Population figures and profile".

¹⁹ IDMC, "Housing rights and employment still preventing durable solutions", p. 4.

²⁰ UNDP, "Unplugged: Faces of social exclusion in Croatia", Human Development Report Croatia 2006, Zagreb, 2006, p. 59.

39. In the second half of the 1990s, Croatian housing policy was aimed at remedying the housing damage caused by the war through the renovation of housing and finding accommodation for war victims. However, the combined effect of these regulations had been widely regarded, both nationally and internationally, as being discriminatory against the ethnic Serbian minority. Initially, ethnic Croats benefited primarily from the reconstruction of houses, and only in 2003, once the reconstruction of houses belonging to ethnic Croats had been largely completed, did Croatian Serbs become the main beneficiaries of assistance. Amendments to the Reconstruction Act in 2000 removed much of the discriminatory character, and provided a more standard practice for processing reconstruction requests through the provision of clearer procedural rules. Reparation for damage or compensation in lieu of reconstruction were also provided to claimants.

40. By 2010, the Government has reconstructed 147,259 of the 195,000 housing units destroyed during the war.²¹ Some 95 per cent of the reconstruction work has been funded by the State. According to data provided by the Office of the United Nations High Commissioner for Refugees (UNHCR), two thirds of the 147,259 houses rebuilt to this day belong to ethnic Croats. However, since 2002, about 80 per cent of the reconstruction beneficiaries have been ethnic Serb applicants. Despite the progress made since then, particularly in the last two years, and the accelerated speed of addressing the reconstruction complaints resulting from first-instance rejections, some concerns have been raised over the high number of negative decisions on reconstruction passed on weak legal grounds.²² UNHCR states that 6,700 claims for reconstruction of damaged and destroyed housing are still pending in the appeal instance to be adjudicated, and that more than 2,423 positive decisions are awaiting implementation.²³ Although the Government had a goal of completing the renovations by 2009, the reconstruction of homes has slowed down. Most of these cases were expected to be resolved during 2010, subject to the availability of funds.

Housing care programmes

41. Faced with international pressure to solve the housing problems of returnees and IDPs, in 2000 the Government of Croatia adopted a set of measures to provide housing to former OTR holders wishing to return. In particular, two Housing Care Programmes were implemented. Regulated by the 2000/2002 Law on Areas of Special State Concern, the first programme was addressed to beneficiaries, including former OTR holders in war-affected areas, denoted as “areas of special State concern”. The second programme was adopted in 2003 to respond to housing problems of former OTR holders outside areas of special State concern and provides State-owned housing units to those who want to return and settle permanently in Croatia through the payment of a monthly lease or an agreement to re-purchase their flats. A new Law on Areas of Special State Concern was adopted in 2008 encouraging the return of the population who lived in war-affected areas as well as the settlement of Croatian citizens of professions that can contribute to economic and social development of these areas.

42. The return and settlement in areas of special State concern was facilitated through different housing models such as renting of a State-owned residential property; renting a State-owned damaged house and awarding construction material; donation of a State-owned plot of land and construction materials to build a house; donation of material for reparation or reconstruction of a damaged family owned house or on a family-owned plot; donation of State-owned plot and materials to build an apartment in a building; and

²¹ UNHCR, Return and reintegration, p. 8.

²² UNDP, Unplugged: Faces of social exclusion, p.59.

²³ UNHCR, Briefing note on protection and assistance of returnees, IDPs and refugees, Zagreb, June 2010.

donation of a State-owned residence. To apply for one of these housing models, applicants should not own another residential property or have donated, sold or exchanged a housing unit after October 1991, or have been convicted for crimes against humanity or criminal acts during the war.

43. Concerning regions outside of the areas of special State concern, the application deadline for applicants to the Housing Care Programme closed in 2005. In order to ensure the effectiveness of this programme, the Government extended the deadline several times (the initial deadline was 31 December 2004) and an information campaign on the return possibilities was organized, but these measures were not sufficient and many Serb returnees could not benefit from this programme. Similarly, in the regions outside of areas of special State concern, the option to purchase the apartment in which families reside was not available at the time the mission took place. On 2 September 2010, the Government adopted a decision on the buy-off option of State-owned flats. This decision recognizes the purchasing option for former OTR holders and Housing Care Programme residents, including discounts according to the years of displacement. The Special Rapporteur considers this as an overall positive development on the issue provided that the implementation procedures are simplified and that no deadline to the application for flat purchasing are imposed to OTRs.

44. According to UNHCR, by June 2010 the total number of applications for the Housing Care Programme was 13,817, within and outside areas of special concern, of which 7,456 have been positively resolved; 3,323 are pending in first-instance procedures, and 3,038 have been rejected.²⁴ Sixty-three (63) per cent of the applications for the Housing Care Programmes have been filed by Croatian Serbs. Of the total number of applications that received positive decisions, 62 per cent were issued to Croatian Serb refugees, while of the total number of pending applications, 61 per cent were filed by Croatian Serbs and 69 per cent of final negative decisions concerned ethnic Serbs.

Repossession of illegally occupied properties

45. At the end of the war, 19,280 properties were illegally occupied. For many years, those properties remained in the possession of the illegal occupiers and the original owners could not return to their place of residence. The Croatian restitution programme for abandoned private property started very slowly in the immediate post war period, but gained momentum in the new millennium.

46. In 2001, the Government of Croatia officially announced its commitment to accelerate and conclude the process of repossession of all occupied property.²⁵ This commitment was to be implemented through an Action Plan, which was set to implement a number of concrete measures to settle this complex issue. The Government of Croatia also proclaimed its commitment to provide individual measures for temporary occupants of private property.

47. The process of repossession lasted over a decade due to administrative obstruction and the fact that the relevant laws gave precedence to the rights of temporary occupants (mainly ethnic Croats) over those of the original owners (mainly ethnic Serbs). The process is now almost complete: out of the 19,280 private homes occupied during the war, 19,258 were repossessed by returnees and IDPs to this day. The remaining 22 cases are still pending before Croatian courts.²⁶

²⁴ UNHCR, Return and reintegration in Croatia, p. 7.

²⁵ Session of the Government of Croatia on 20 September 2001; available from: <http://www.hrt.hr/news>.

²⁶ UNHCR, Return and reintegration in Croatia, p. 7.

Regional efforts to promote the re-integration of remaining refugees

48. Currently there are more than 70,000 refugees from Croatia in neighbouring countries, more than 60,000 of them in Serbia.²⁷ Due to the unresolved housing situation, the lack of economic activity and employment, the obstacles to integration and the number of years gone by since their departure, return is no longer a realistic alternative for many of them. This outstanding issue represents a major challenge not only for Croatia but also for the rest of the countries in the region.

49. Concerning the housing situation of refugees, an Agreement on Succession Issues was signed by the five successor States of the former Yugoslavia in April 2001. Annex G to the agreement stresses that dwelling rights shall be applied equally to all persons who were citizens of the former Yugoslavia. The agreement also provides for the recognition, protection and restoration of the rights to immovable property located in successor States, as well as for compensation where the State was unable to realize such rights. Furthermore, it establishes that purported transfers of rights concluded under duress during the war were void.

50. Subsequently, the Regional Ministerial Declaration was signed in Sarajevo on 31 January 2005 providing a framework for “just and durable solutions to the refugee and IDP situation”. The signatories committed to solving the remaining displacement by the end of 2006, to facilitate returns or local integration of refugees and IDPs in their countries without discrimination and in accordance with the individual decisions of those concerned, and to provide assistance and support to refugees and IDPs in cooperation with UNHCR, the European Union and OSCE. Despite these efforts, there are still 116,692 refugees in the region in need of durable solutions.²⁸

B. The situation of Roma people

51. A particular issue of concern in Croatia today is the housing situation of Roma people. According to the 2001 census, there are 9,500 Roma persons in Croatia, although official estimates place them at 30,000 and 40,000 persons, which make them the second-largest minority in the country.²⁹ Roma people in Croatia face different forms of discrimination and often do not enjoy the full range of fundamental rights due to their lack of clear legal status such as citizenship or legal residence.³⁰ Some Roma families have been residing in the country for decades without receiving legal recognition. In addition, during the war, Roma families from Bosnia and Herzegovina and Kosovo came to Croatia without any documents facing similar problems concerning their legal status. The lack of documentation presupposes numerous difficulties in their access to housing and basic infrastructure and services.

52. Roma families in Croatia live mainly in urban areas, often in informal settlements without ownership titles or permits for building their houses.³¹ Many Roma settlements are not recognized by the municipal authorities, as houses built on socially owned land are considered to be illegal. Without formal legal protection, the informal settlements of Roma are excluded from essential social services and infrastructure, and are an easy target for

²⁷ UNHCR, Estimate of Refugees and Displaced Persons still seeking solutions in South East Europe,.

²⁸ *Idem*.

²⁹ E/CN.4/2006/71/Add.3, para.7.

³⁰ National Programme for Roma of the Republic of Croatia, 2003, p. 67.

³¹ Although Zagreb accommodates a large number of these settlements, others are located in areas such as Rijeka, Pula, Slavonski Brod, Sisak, Cakovec, Darda, Osijek, Vinkovci, Popovaca and Kutina.

criminal attacks.³² Due to the lack of property titling, Roma have also been often excluded from the programmes for reconstruction and repossession of their pre-war homes.

53. Roma families usually endure hardship with respect to their housing situation. Their settlements are often poorly developed and have insufficient access to basic infrastructure such as roads, sewerage systems or septic tanks, sanitation and running water. Although electricity is more commonly provided, its lack has also been reported in numerous settlements. Most dwellings do not meet the minimum building standards and are often overpopulated. Families in Roma settlements live in houses and apartments but also in shacks, abandoned cabins, barracks and board huts. The standard space in Roma households is very low. With an average 10 to 35 square metres of space and 6 persons per house, Roma usually live in substandard accommodation, and are also usually affected by the lack of access to public subsidies and loans that would allow them to improve their housing conditions.³³

54. Roma settlements are often marginalized in the spatial distribution of the communities in which they live, as a result of discrimination and imposed ghettoization. Moreover, most Roma settlements are placed at long distances from schools, health-care centres, employment opportunities and sources of livelihood. This isolation entails substantial distress to their daily lives, a further deterioration of their living conditions and a clear obstacle to their enjoyment of most economic, social and cultural rights. While there have been efforts to include Roma representatives in consultation, decision-making and monitoring processes, solutions to the housing situation of Roma do not usually include the participation of affected families to incorporate their needs and opinions and have tended to marginalize the communities even more.³⁴

55. In October 2003, the Government of Croatia adopted the “National Programme for Roma” aiming at eradicating discrimination against Roma, improving their living conditions, and achieving their full integration into society. The programme provides for the possibility of recognition of informal settlements on State-owned land through sale, cession without payments, and permission to use. In settlements where no legalization of buildings is possible, alternative housing solutions are considered and, where possible, adopted in accordance with the National Programme for the Roma and the Action Plan of Inclusion, Decade 2005-2015. Concerns have been raised about the insufficient implementation of this programme and its lack of prioritization in the national budget.³⁵ even if the funds allocated from the State budget have significantly increased since 2005. In May 2005, the Government of Croatia adopted a 10-year Action Plan for Roma Inclusion, under the overall administration of the Croatian Office for National Minorities. Amongst other objectives, the action plan aims at ensuring equal access to housing for Roma.³⁶ Concerning its implementation, the Government reported that as part of the framework provided by the Action Plan, 12 counties have developed spatial plans for areas inhabited

³² Incidents against Roma people have been reported in Zagreb: See Shadow Report on the Implementation of the Framework Convention for Protection of the Rights of National Minorities in the Republic of Croatia; Centre for Peace, Legal Advice and Psychosocial Assistance, June/July 2004, p. 20

³³ UNDP, *Unplugged: Faces of social exclusion in Croatia*, p. 50-51; and *How do Croatian Roma live?*, Maja Stambuk (ed.); Institute of Social Sciences, IVO Pilar, Zagreb 2005, p. 391-400.

³⁴ Concerning consultation with Roma see UNDP, *Unplugged: Faces of social exclusion in Croatia*, 2006, p.51.

³⁵ See Advisory Committee on the European Framework Convention for the Protection of National Minorities, *Second Opinion on Croatia*, adopted on 1 October 2004, p. 15.

³⁶ “Croatia to adopt 10-year Action Plan for Roma Integration”, *Southeast Europe Online*, 27 February 2005, available at: <http://www.southeasteurope.org>

by Roma people, and two counties have almost completed them. It also reported that in the Parag settlement in Medimurje, the largest in Croatia, the process of legalization of houses and connection to infrastructure is in its final stages.³⁷

56. In Roma settlements, the Special Rapporteur has witnessed some of the worst living conditions in the country. Despite the adoption of national programmes addressed to Roma people, it remains to be seen to what extent they can help improve the housing conditions of this community as a whole. While some improvements have been shown in certain formal Roma settlements, the Special Rapporteur is particularly concerned about the degrading housing and living conditions witnessed in settlements which receive no recognition or support from the Government and where families are living in unhealthy and degrading conditions, without electricity, running water, roads or sewerage systems.

C. The situation of young people, homeless persons and low-income families

57. Young people's access to adequate housing is closely related to problems of unemployment. In Croatia, young people have difficulty in acquiring economic independence from their parents and accessing financial resources to provide themselves accommodation. Many of those who have good employment and are economically independent, do not have enough resources to purchase a home. Although measures were adopted by local and State governments to subsidize housing and provide tax benefit for young people to purchase their first home, only a small number of young people can actually afford to buy a home.³⁸

58. As in many other transitional countries, a new form of homelessness has emerged as a result of privatization, deregulation, market insecurity and higher unemployment rates. The transition is from a situation of stability in employment and residence, to current trends where many people now live in insecure housing situations and could or have ended up living in shelters for homeless people or on the streets. According to information provided by UNDP, there are five homeless shelters in Croatia, two in Zagreb, two in Split and one in Osijek. In addition, homeless persons are accommodated in churches and monasteries, social welfare institutions and medical facilities. While the existing capacity is not problematic for accommodating the homeless population, reports indicate that the quality and the hygiene of the shelters are inadequate.³⁹

59. Families in vulnerable economic situations are affected by the "commoditization" of the housing sector, the lack of available social housing and more recently by the consequences of the economic crisis. Moreover, while social welfare mechanisms offer monthly financial support to cover some of the basic needs of low-income families; on many occasions the excessive costs of utilities account for most of the family's monthly payments. Families are thus faced with the choice of not satisfying their basic needs or not paying their utilities expenses, which in turn leads them into a vicious circle of debt.

³⁷ Government Office of the Republic of Croatia for National Minorities, Third Report of the Republic of Croatia on the Implementation of the Framework Convention for the Protection of National Minorities, , Zagreb, 2009, p. 28.

³⁸ UNDP, Unplugged: Faces of social exclusion in Croatia, p. 86.

³⁹ Idem., p. 109.

V. Affordability and social housing

60. As part of a comprehensive housing reforms in the 1990s, part of which has already been described, housing contributions for employed people were cancelled alongside the role of employers in providing for the housing needs of employees. The State, which used to have a vital responsibility in assisting the population in meeting its housing needs, withdrew from the housing sector through deregulation, liberalization and privatization. Alongside denationalization and the sale of State-owned apartments to their occupants, the State also adopted a policy of selling the public rental housing stock. This measure entailed a reduction in the availability of social housing for vulnerable groups and their reduced share in the overall housing stock. Moreover, the new market-oriented paradigm put into question any plans for constructing any sort of publicly owned housing.⁴⁰

61. The combination of these changes in the housing sector entailed a substantial change in the housing tenure structure, with 82 per cent of private ownership and social housing representing only a 2.9 per cent of the housing stock.⁴¹

62. The privatization of housing, the increased investment in private construction and the insufficient investments in social housing drastically affected the capacity of low-income and vulnerable households to access an apartment. More recently, the economic crisis affected affordability in most social sectors and represented a further impediment in people's capacity to access a home.

63. Besides the programmes of housing provision and reconstruction for persons affected by the war, most current housing programmes are intended for middle class families and are aimed for the most part at supporting households purchasing their first house. In 2001, the Government implemented a State-subsidized housing construction programme to help families buy their first housing. The programme entails the construction of residential buildings to be sold on better conditions than in the real-estate market.⁴² The Government reports that 4,863 apartments were built as part of the social housing construction programme since 2000 across Croatia. Subsequently in 2003, a tax benefit of 5 percent and tax incentives for families purchasing their first house were also introduced.

64. With respect to social rental housing, no programme seems to exist at the national level. Instead, local authorities have responsibilities over this issue to which they dedicate a marginal part of their local social programmes. Moreover, after the economic and financial crisis of 2008, which affected the sale of apartments in the real-state market, the prospects for public investment in social housing seem grimmer. A trend that the Government has recently started to explore is that of public-private partnership in the development of housing. However, the results of this approach have been limited to date, given the excess in the supply of apartments.

65. The construction boom combined with the economic crises and lack of affordability entailed an excess in the supply of apartments not matched by the demand in the real-estate market. According to the Croatian Chamber of Commerce, at the end of 1999 there were 2,315 unsold apartments in Croatia. This situation encouraged the Government to adopt the Act on Stimulating the Sale of Apartments in March 2010 (*Official Gazette* No. 38/2010).

⁴⁰ Idem, pp. 3 and 15.

⁴¹ Data from: Bezovan, Gjko; Assessment of social housing programmes in Croatia as a part of residual social care, p. 4.

⁴² Idem, p. 5.

VI. Access to employment, sources of livelihood and basic infrastructure

66. In connection to the reconstruction and reparation of houses of IDPs and refugees, a problem has emerged whereby some of the rebuilt and allocated apartments remain empty as the families who benefited from reconstruction and housing care programmes decide not to return to the area where the residence is located. This is due to the lack of economic activity and sources of income in former war-affected areas, and the difficulties for reintegrating into the local community, sometimes still marked by ethnic tensions.

67. Indeed, uneven regional development has been a continuous obstacle to the return of refugees and IDPs who had fled war devastated areas, and had come back many years later to find themselves in an economically depressed region with very limited opportunities to earn a living. War-affected areas have the highest number of returnees lagging behind in the country. As a result of the war and the transition, most State-owned industries and enterprises were dismantled, particularly in Croatia's hinterland. The economic activity in most of these areas dramatically decreased, affecting employment and sources of livelihood. In most cases, public employment is the sole source of income. However, it is alleged that at the local level, ethnic Serbs are often excluded from public employment, which reduces even more their possibilities to find employment.

68. In fertile areas, agriculture has provided alternative means of subsistence. However, access to land has proven difficult for those families who lost possession of their lands, due to absence during the war or the lack of titling records. In these circumstances, return has become an almost impossible task. In the face of rampant unemployment in these regions, most returnees are entirely dependant on social assistance provided by the Government.

69. Some return areas still lag behind in basic infrastructure services. Infrastructure such as electrical networks, water supply systems and road maintenance has proven insufficient in some of the villages with minority returnees. In recent years, the Government has shown political will to improve the electrical infrastructure in Serb villages, and progress has been made in a number of them. However, this progress needs to be sustained and more work needs to be done to improve water supply systems and road conditions.⁴³

70. A similar situation was witnessed by the Special Rapporteur with regard to Croat settlers in war-affected areas. Ethnic Croats who arrived to Croatia escaping from the war in neighbouring countries, received support from the Government to find accommodation in Croatia, as well as a residency permit or Croatian citizenship. Most settlers have been offered housing units, plots or building material to establish their residence in areas of special State concern. Although the quality of the housing units in which settlers reside is usually good, their living situation has also become unsustainable due to the lack of economic activity and sources of income in these economically depressed areas. Most families are dependent solely on social assistance provided by the Government, as unemployment is high, land is inaccessible and often unfertile, and businesses cannot be conducted in their places of residence due to legal restrictions as protected lessees. In addition, most residences are located in areas far from essential services such as health-care facilities and schools.

71. In this context, it is worth recalling that the right to adequate housing entails the provision not only of adequate housing units but also of essential infrastructure and services as well as access to sources of livelihood.

⁴³ UNDP, Unplugged: Faces of social exclusion in Croatia, p. 59.

VII. Participation, right to information and accountability

72. Cumbersome and complex administrative procedures and regulations have resulted in slow, non-transparent and unaccountable processes for adjudication and decisions concerning access to housing. On the one hand, numerous regulations and programmes concerning the possession of housing and land have been adopted since the beginning of the transition and the war, which overlap and obstruct their effective use. On the other hand, the implementation of these regulations and programmes has been unclear, arbitrary and discriminatory. The lack of transparency and accountability and the overlapping bureaucratic channels have made it difficult to predict the likely outcome of applications and obstructed people's right to information and to an effective remedy.

73. The right to information is further hampered by the lack of available and reliable official data and statistics concerning the housing situation in Croatia. Throughout her mission, the Special Rapporteur has found numerous obstacles to getting access to clear and reliable official data and statistics concerning the main factors affecting the right to adequate housing in Croatia.

74. The level of consultation and participation of the affected population in the processes aimed at addressing their housing problems and needs it has been insufficient, particularly as far as dispossessed OTR holders, minority groups, returnees, IDPs, refugees and settlers are concerned. This has affected the overall implementation of the adopted regulations and programmes.

VIII. Conclusions and recommendations

75. **The Special Rapporteur acknowledges the efforts of the Government of Croatia to respond to the housing challenges brought about by the armed conflict of 1991-1995, as well as the quantity and quality of the housing stock built and reconstructed in the country under different programmes. Nonetheless, she points out several drawbacks in the measures adopted by the Government in the context of the transition and post-conflict recovery. The process is still to be completed.**

76. **While significant achievements have been made in the reconstruction and restitution of houses after the armed conflict, numerous cases remain unresolved either because there was a negative decision or because the decision is still pending. During her mission, the Special Rapporteur encountered on numerous occasions problems created by cumbersome and complex administrative procedures and regulations, which have resulted in a slow, non-transparent and un-accountable processes. The superposition of laws, regulations and bylaws as well as the imposition of unfeasible requirements (especially taking into account the difficulties of accessing documents in post conflict situation and the existence of outdated land registries in many regions) opened the ground for the adoption of discretionary decisions and different solutions for those with equal housing rights in the socialist and pre-war period.**

77. **One of the most striking examples concerns the right of former occupancy tenancy rights holders to stay in their apartments and buy them at rates similar to others. While a great number of occupancy tenant rights (OTR) holders were able to buy them under favourable conditions, those OTR holders residing in privately owned houses or in military dwellings, were prevented from doing the same.⁴⁴ In addition,**

⁴⁴ In September 2010, a decision was adopted on a buy-off option for State-owned flats to open the

more than one third of the applications for the different programmes offered over time had been rejected, leading to 793 appeals out of which 103 are still pending. Numerous persons were not able to submit their documented application within the tight deadlines, especially outside the areas of special State concern. For this reason, the process is not completed yet.

78. To close this chapter of Croatia's past and to be able to open a new era of adequate housing for all, the Special Rapporteur strongly recommends that the Government of Croatia accelerate the implementation of the Housing Care Programmes for former OTR holders; further expedite the process of issuing first-instance and appeal decisions on reconstruction applications; and consider reopening the processes of application for programmes which provide durable housing solutions, to all applicants who missed the 2005 deadline.

79. The Special Rapporteur welcomes the 2 September 2010 Decision on the buy-off option for State-owned flats, which recognizes the purchasing option in the regions outside of areas of special State concern, for former OTR holders and Housing Care Programme residents. In this context, the Special Rapporteur urges the Government to simplify the implementation procedures of this decision and not to put any deadline to the application for flat purchasing.

80. The Special Rapporteur also encourages the Government to define and unify tenure arrangements applicable to those with similar housing rights from the outset, including the possibility to purchase under favourable conditions the houses in which they reside.

81. The Special Rapporteur welcomes the progress made in the repossession of illegally occupied properties, and expects the few remaining open cases to be resolved in the near future. In cases in which damaged houses at the time of the repossession were in worse conditions than indicated in early assessments, the relevant central or local authorities should authorize the repair of the excess damage. Were returnees to make repairs to their homes themselves, financial compensation should be provided where appropriate proof of expenditures is available.

82. The process of repossession of agricultural land needs to be completed, including the situation of bona-fide owners who never registered their land in official records. The Special Rapporteur urges the Government to take measures to resolve the remaining cases of illegal occupation of agricultural land that had been temporarily abandoned by its original owners during the war.

83. The improvement of social and economic life in areas of return is vital for the effective integration of returnees. Return will continue to be slow and the isolation of returnees will persist until measures are adopted to respond to the socio-economic challenges experienced by returnees in their place of residence. The Special Rapporteur urges national and local authorities to work together to improve the efforts undertaken to provide such areas with basic infrastructure, including electricity, water supply networks and road conditions. Central authorities must ensure sufficient political and financial support for the reconstruction of basic services and infrastructure networks.

84. The Special Rapporteur also recommends that the Government further develop its strategy to respond to the housing needs of former OTR holder returnees living in

option to purchase, with applied discounts, to former OTR holders who had apartments, but under lease or rental agreements. The decree does not apply to categories mentioned in the paragraph 76.

the areas of special State concern. Measures need to be adopted to provide sources of income and promote the effective integration of minority returnees to local communities. In this context, the Special Rapporteur also urges the Government to accelerate the implementation of its June 2010 Revised Action Plan for the Implementation of the Housing Care Programme within and outside the areas of Special State Concerns for the Refugees-Former Tenancy Right Holders wishing to return to Croatia

85. In order to improve the living conditions of minority returnees, strategies to improve their employment and representation in public institutions should also be adopted by the Government. The Special Rapporteur also recommends that the Government carry out investigations and maintain statistics on discrimination in the access to employment in these institutions. The Government should also collect information on the number of refugees who have lost their occupancy tenancy rights; those who wish or do not wish to return; those who benefitted from housing assistance or still in need of it and the number of available former OTR houses.

86. Since the 1990s, some 70,000 Croatian citizens have been refugees residing in neighbouring countries, and amongst them, more than 60,000 are in Serbia. While it appears that the majority of the remaining refugees do not intend to return, the full integration of refugees whether in the country of asylum or in the country of origin is essential to resolve this outstanding issue. The Special Rapporteur urges the Government to continue the concerted efforts undertaken with other Governments in the region to remove all obstacles impeding definitive and just solution of the refugee issue.

87. Legal and practical mechanisms should be adopted to enable the sustainable return of refugees to the country of origin or settling in the place of destination, particularly through the provision of permanent housing for those living in poor housing conditions, in temporary accommodation or in collective centres. In addition to the ongoing housing assistance programmes, the Government should establish a comprehensive settlement mechanism with respective authorities in the region for a fair and just solution for former OTR holders who will not return or cannot benefit from the housing programmes.

88. The Special Rapporteur exhorts international agencies, including financial institutions, to be partners in these efforts. Coherence amongst the policies and actions of these agencies and institutions is necessary to make it possible for the Croatian Government to significantly contribute to the provision of adequate durable housing solutions, especially in a context where the Government is indebted and requested to pay back the loans used for its reconstruction, as well as to cut back on public expenditures.

89. To face the present and upcoming housing challenges, the Government of Croatia must adopt comprehensive housing policies, to be implemented without discrimination and addressed particularly to vulnerable groups, including Roma communities. Adequate housing cannot be treated as a sectoral issue without considering the overall conditions of economic development, access to employment and sources of livelihood and essential social infrastructure.

90. Recovery in areas affected by the conflict, especially those in poor regions of the country, also require a holistic strategy, including economic and social policies as well as a significant investment in a culture of non-discrimination, peace and tolerance.

91. While most of the efforts adopted by the Government of Croatia in recent years sought to solve the problems of the past, Croatia also needs to face the challenges of its present and of its future. After the transition to a privatized housing sector, the

negative impact of the economic situation and of unemployment on the housing conditions of vulnerable groups (including Roma communities, homeless people, low-income families and young people) has become more evident. Since the private housing market cannot offer an adequate housing solution for the entire population, the housing situation of vulnerable and marginalized groups will require particular attention and the adoption of durable and permanent public housing policies, which currently do not exist at the national level.
