



Fair Market Conditions for  
Competitiveness in the Adriatic Region  
**Manual for Policy Makers**  
Croatia



## Introduction

In the South East Europe (SEE) region, businesses continue to identify corruption and lack of transparency as key constraints to economic growth and competitiveness. Similarly, the *OECD Competitiveness Outlook for South East Europe* from [2018](#) and [2021](#) found a number of policy shortcomings. These range from limited practical support for whistle-blowers and a lack of business integrity mechanisms to insufficient fining for anti-competitive behaviour and risks of politicisation of state-owned enterprises' governing boards.

The OECD Project [Fair Market Conditions for Competitiveness in the Adriatic Region](#), funded by the Siemens Integrity Initiative, addresses these obstacles and provides the context for this manual. The Project aims to support the creation of a level playing field in three pilot countries from the region (Bosnia and Herzegovina, Croatia and Serbia) to enhance competitiveness and integrity. Levelling the competitive playing field can help boost productivity, efficiency, output quality and innovation. Eventually, a level playing field increases a country's level of competition and economic development as well as the economic well-being of its citizens. In this context, the Project's focus areas are 1) awareness raising about integrity standards and good practices; 2) capacity building and implementation support of recommendations on transparency and efficiency of anti-corruption and competition authorities; 3) promotion of knowledge on international standards and practices on anti-corruption and integrity in academic curricula.

By building on an extensive set of OECD analyses – primarily, the *OECD Competitiveness Outlook* – and good practices from OECD member countries, as well as input from external experts and stakeholders, several key recommendations have been developed. These recommendations are related to the areas of anti-corruption, competition and state-owned enterprises (SOEs) which are considered particularly relevant for creating fair market conditions.

To support efforts to create fairer market conditions, the Project has produced a number of key documents providing analysis and policy recommendations along implementation advice, notably three Country Profiles and a series of twelve Policy Briefs on key OECD instruments and standards.

This practical manual for Croatia brings together these different documents, thereby helping policy makers to navigate the extensive analysis and advice. It summarises the main policy recommendations for the country and maps, for each of them, where detailed guidance and practical implementation advice can be found to help policy makers advance concrete reforms and track progress in the implementation.

It is important to highlight that this Project was conducted from 2018 to 2022 and is separate to Croatia's accession process to the Organization. The underlying work and **recommendations contained herein are without prejudice to recommendations that may stem from committee reviews in the context Croatia's accession process to the Organization.**

## Reader's Guide to This Manual

This manual for Croatia brings together the different documents developed within the scope of the Project on [Fair Market Conditions for Competitiveness in the Adriatic Region](#) and helps policy makers to navigate this wealth of information.

Most crucially, this manual summarises in its core part – the “mapping” – the key policy recommendations developed in the Project across the three key components anti-corruption policy, competition policy and SOEs framework.

To help policy makers in Croatia access key information assisting them to design policy reforms and good practice advice in implementing them, the manual lists for each of the key policy recommendations the most important reference documents with policy guidance. It references, for instance, those chapters and sub-chapters of the Country Profile providing detailed information on the design of according policy reform. Similarly, it lists those Policy Briefs detailing key OECD tools that can assist policy makers in the design and the implementation of reforms. Additionally, it lists important OECD publications providing policy and implementation advice for the specific area that were developed outside the scope of the Project. As such, this manual gives policy makers in Croatia access to a wealth of information in a structured and easy-to-use way.

In its final section, this manual lists the relevant OECD bodies working on the relevant areas. This information is intended to allow policy makers to reach out to the OECD and its members to engage in policy dialogue and peer learning to benefit the continuous improvement of policy measures, thereby ensuring an enhanced impact of the implemented reforms.

## Mapping of Main Policy Recommendations and Key Reference Documents

	Suggested Reform Component	Key Reference Document	
		Name of Document	Type of Document
<b>Anti-Corruption Policy</b>	Develop comprehensive code of conducts for persons with top executive functions as well as elected officials at regional and local level	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.1	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD Policy Brief for the Adriatic Region on Open Government (2022)	OECD instrument and good practice advice for the Adriatic Region
		• OECD Publication: <a href="#">Public Integrity Handbook</a> (2020), Chapter 4. Standards	Thematic diagnostics and policy recommendations
	Develop the regulation on lobbying	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.3	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on Transparency and Integrity in Lobbying</a> (2022)	OECD instrument and good practice advice for the Adriatic Region
		• OECD Publication: <a href="#">Lobbying in the 21st Century - Transparency, Integrity and Access</a> (2021)	Thematic diagnostics and policy recommendations
	Establish a dispute avoidance mechanism such as business ombudsman or multi-stakeholder high level reporting mechanism	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.3	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on High Level Reporting Mechanism</a> (2021)	OECD instrument and good practice advice for the Adriatic Region
		• OECD Publication: <a href="#">The Role of Ombudsman Institutions in Open Government</a> (2018)	Thematic diagnostics and policy recommendations

Develop a dialogue platform for exchange between civil society, public and private sector as well as academia	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.2</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD Policy Brief for the Adriatic Region on Open Government (2022)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">How to Conduct Monitoring by Civil Society</a> (2014)</li> </ul>	Thematic diagnostics and policy recommendations
Establish an online academic platform to provide visibility of research and anti-corruption dialogue	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.1</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on Education for Integrity</a> (2021)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
Support universities to introduce anti-corruption legal clinics	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.4</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on Education for Integrity</a> (2021)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
Implement tools that support public-private cooperation for the preventing and detection of corruption	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 1.4</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions</a> (2021)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Convention on Combating Bribery of Foreign Public Officials in International Business Transactions</a> (1997, updated in 2021)</li> </ul>	Thematic policy guidance and monitoring instrument

	Suggested Reform Component	Key Reference Document	
		Name of Document	Type of Document
Competition Policy	Provide the Croatian competition agency with adequate financial resources	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.1	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on OECD Recommendations on Competitive Neutrality</a> (2022)	OECD instrument and good practice advice for the Adriatic Region
		• OECD Publication: <a href="#">OECD Competition Trends</a> (2020), Chapter 1. Resources (Budget, Staff)	Thematic diagnostics and policy recommendations
	Boost cartel enforcement by giving the Croatian competition agency access to all type of electronic information and training	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.2	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on OECD Recommendations on Competitive Neutrality</a> (2022)	OECD instrument and good practice advice for the Adriatic Region
		• OECD <a href="#">Recommendation Concerning Effective Action Against Hard Core Cartels</a> (2019)	Thematic diagnostics and policy recommendations
	Support the leniency programme by setting fines high enough to ensure deterrence	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.2	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on OECD Recommendations on Competitive Neutrality</a> (2022)	OECD instrument and good practice advice for the Adriatic Region
		• OECD Roundtable Background Note: <a href="#">Challenges and Co-Ordination of Leniency Programmes</a> (2018)	Thematic diagnostics and policy recommendations
	Strengthen control mechanisms for public procurement	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.2	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on the OECD Public Procurement Principles</a> (2021)	OECD instrument and good practice advice for the Adriatic Region
		• OECD <a href="#">Recommendation of the Council on Fighting Bid Rigging in Public Procurement</a> (2021)	Thematic policy guidance and monitoring instrument

Set up more specific training for procurement officials	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.3</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on the OECD Public Procurement Principles</a> (2021)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Recommendation of the Council on Fighting Bid Rigging in Public Procurement</a> (2021)</li> </ul>	Thematic policy guidance and monitoring instrument
Continue opposing restrictions to competition in laws and regulation	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.3</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on OECD Recommendations on Competitive Neutrality</a> (2022)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Competition Assessment Toolkit: Volume 3 - Operational Manual</a> (2019)</li> </ul>	Thematic policy guidance and monitoring instrument
Conduct assessments of regulatory constraints in sectors where competition is too low	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 2.3</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on OECD Recommendations on Competitive Neutrality</a> (2022)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Competition Assessment Toolkit: Volume 3 - Operational Manual</a> (2019)</li> </ul>	Thematic policy guidance and monitoring instrument

	Suggested Reform Component	Key Reference Document	
		Name of Document	Type of Document
SOEs Frameworks	Establish an ownership coordination body that develops and monitors compliance with the state's governance, disclosure standards for SOEs, and SOEs performance	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.1	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on Anti-Corruption and State-Owned Enterprises (2022)</a>	OECD instrument and good practice advice for the Adriatic Region
		• OECD <a href="#">Guidelines on Anti-Corruption and Integrity in SOEs</a> (2019), Chapter B. Exercise of State Ownership for Integrity	Thematic policy guidance and monitoring instrument
	Strengthen a clear ownership policy that covers all SOEs and outlines the rationales and objectives for state ownership	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.1	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on Anti-Corruption and State-Owned Enterprises (2022)</a>	OECD instrument and good practice advice for the Adriatic Region
		• OECD <a href="#">Guidelines on Anti-Corruption and Integrity in SOEs</a> (2019), Chapter B. Exercise of State Ownership for Integrity	Thematic policy guidance and monitoring instrument
	Define financial and non-financial performance objectives to remove present ambiguities and improve SOEs performance	• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.1	Country-specific diagnostics, policy recommendations and good practice advice
		• OECD <a href="#">Policy Brief for the Adriatic Region on Anti-Corruption and State-Owned Enterprises (2022)</a>	OECD instrument and good practice advice for the Adriatic Region
		• OECD Publication: <a href="#">Ownership and Governance of SOEs: a Compendium of National Practices</a> (2021), Chapter 3. Transparency and Integrity in the SOE Sector	Thematic policy guidance and good practices



Increase professionalism and independence of SOE boards through the presence of a majority of independent directors and a transparent nomination procedure based on professional qualifications	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.1</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on Anti-Corruption and State-Owned Enterprises (2022)</a></li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Professionalising Boards of Directors of SOEs: Stocktaking of National Practices</a> (2018)</li> </ul>	Thematic policy guidance and good practices
Extend the scope of aggregate reporting covering not only SOEs of special interest; harmonise disclosure standards across SOE sector	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.2</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on Anti-Corruption and State-Owned Enterprises (2022)</a></li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Transparency and Disclosure Practices of SOEs and their Owners</a> (2020), Chapter 3. Transparency and Disclosure by the State Owner</li> </ul>	Thematic policy guidance and implementation advice
Increase the independence of audit committees whose chairs are independent from the company and the state shareholder	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.2</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on Anti-Corruption and State-Owned Enterprises (2022)</a></li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Guidelines on Anti-Corruption and Integrity in SOEs</a> (2019), Chapter D. Accountability of State-Owned Enterprises and of the State</li> </ul>	Thematic policy guidance and monitoring instrument
Strengthen transparency in public procurement for SOEs procedures	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Fair Market Conditions for Competitiveness in Croatia</a> (2022), Chapter 3.3</li> </ul>	Country-specific diagnostics, policy recommendations and good practice advice
	<ul style="list-style-type: none"> <li>• OECD <a href="#">Policy Brief for the Adriatic Region on the OECD Public Procurement Principles</a> (2021)</li> </ul>	OECD instrument and good practice advice for the Adriatic Region
	<ul style="list-style-type: none"> <li>• OECD Publication: <a href="#">Transparency and Disclosure Practices of SOEs and their Owners</a> (2020), Chapter 3. Transparency and Disclosure by SOEs</li> </ul>	Thematic diagnostics and policy recommendations

## Where do we go from there?

This manual for Croatia brings together the different documents developed within the scope of the Project on Fair Market Conditions for Competitiveness in the Adriatic Region and helps policy makers to navigate this wealth of information.

By mapping the main policy recommendations and key reference documents providing detailed advice on the design and the implementation of reforms, this manual is designed as a how-to-guide for policy makers in Croatia to access information as needed. In a concise and graphical way, it shows for each of the key reforms the relevant sources of information among the Country Profile chapters and chapter sections, the Policy Briefs and OECD documents developed outside the project scope.

As the economic context in Croatia evolves, so will need to change the policy settings.

Key insights on evolving policy practices are a key consideration for OECD bodies, including Committees and Working Groups. Accordingly, this section includes, an overview of the most relevant OECD bodies working on the relevant areas.

Should policy makers in Croatia wish to engage in further policy dialogue and peer learning, they can contact the OECD Committees and the Working Groups via the OECD Global Relations and Cooperation Directorate's [South East Europe Division](#):

- Ms Anita RICHTER, Acting Head of the South East Europe Division:  
[Anita.RICHTER@oecd.org](mailto:Anita.RICHTER@oecd.org)
- Mr Hendrik BOSSHAMMER, Project Manager at the South East Europe Division:  
[Hendrik.BOSSHAMMER@oecd.org](mailto:Hendrik.BOSSHAMMER@oecd.org)

Please access the region project website for more information [Fair Market Conditions for Competitiveness in the Adriatic Region Project Website](#)

### 1. Competition Committee:

The primary purpose of the Competition Committee is to protect and promote competition based on rigorous research and analysis. It focuses on effective competition law enforcement, pro-competitive economic reform and improving the awareness about the benefits of competition for businesses and consumers.

The Committee produces the Competition Assessment Toolkit that helps to address issues on regulatory reform. It also holds several roundtables on subjects like the competition in the financial sector or the challenges that the digital economy raises for competition policy. Moreover, the Committee serves as a place to have discussion between legal and economic experts and competition policymakers, which can lead to the identification of good practices.

The Committee also oversees the work of three regional centres for competition, including the Regional Center for Competition in Budapest which focuses on the Central, East and South-East European region.

## 2. Corporate Governance Committee:

The primary purpose of the Corporate Governance Committee is to improve corporate governance policies, support good corporate practices and fulfil its responsibilities as the single international standard-setter in corporate governance.

The Committee publishes key documents and standards such as the *Recommendations of the Council on Principles of Corporate Governance* and on *Guidelines on Corporate Governance of State-Owned Enterprises*. The Principles of Corporate Governance were endorsed by G20 leaders and are the international benchmark for policymakers, investors, corporations and other stakeholders worldwide. The Committee also assists with corporate governance reforms as well as country specific projects.

## 3. Regulatory Policy Committee:

The primary purpose of the Regulatory Policy Committee is to strengthen the rule of law, support rule-based collaboration and promote evidence-based and innovative policymaking. It also focuses on regulatory impact assessment and administrative simplification. As such, the Committee supports policy makers in creating a fairer and more transparent environment for all economic actors.

The Committee offers guidance for effective and comprehensible regulations. It also supports policy makers to design and deliver, in collaboration with those concerned, resilient and equitable regulations. Moreover, the Committee promotes good practices and offers opportunities for the exchange of experience on a global scale notably through a partnership with about 50 international organisations.

## 4. Working Group on Bribery in International Business Transactions:

The primary purpose of the Working Group on Bribery in International Business Transactions is to monitor and ensure the compliance of its members vis-à-vis the *OECD Convention against Bribery of Foreign Public Officials in International Business Transactions* and related legal instruments (e.g. the 2009 and 2021 *Recommendation for Further Combating Bribery of Foreign Public Officials* or the *OECD Recommendation on Tax Measures for Further Combating Bribery*).

The Working Group encourages synergies between policy communities through breaking the silos, through open and frank exchange of information, through close co-operation in achieving common goals and through the elimination of competition among different policy communities. The Working Group also focuses on the adoption of new or changed legislation, the development of the institutional set-up for fighting bribery and on ensuring effective investigations, of foreign bribery offences.

The Working Group leads the Anti-Corruption Network for Eastern Europe and Central Asia as a regional outreach programme in which Croatia is a member.



MANUAL FOR POLICY MAKERS  
CROATIA

## **FAIR MARKET CONDITIONS FOR COMPETITIVENESS IN THE ADRIATIC REGION PROJECT**

High levels of corruption and lack of transparency are key constraints to economic growth in many countries worldwide. This Manual for Croatia aims to provide support to policy makers to access the wealth of information assembled within the scope of the Project on Fair Market Conditions for Competitiveness in the Adriatic Region and help them navigate these different documents to advance policy reforms. As such, this Manual summarises the main policy recommendations for the country and maps, for each of them, where detailed guidance and practical implementation advice can be found to help policy makers design concrete reforms and track progress in the implementation.

This Manual, along those for Bosnia and Herzegovina and Serbia, is one output of the three-year OECD project to promote fair market conditions for competitiveness in the Adriatic region, which is supported by the Siemens Integrity Initiative. Through Collective Action, government officials from the region as well as business leaders, anti-corruption experts and practitioners, civil society representatives and academics have engaged to jointly enhance integrity and transparency.

These efforts are part of the engagement of the OECD South East Europe Regional Programme, which has been collaborating with the region since 2000 to advance private sector development, improve the investment climate and raise living standards for an inclusive and sustainable future for the people of South East Europe.

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