



SECURITY-INTELLIGENCE
AGENCY

PUBLIC REPORT 2022





MISSION

We detect, investigate and understand security threats and challenges by collecting and analysing intelligence significant for national security, thus providing the state leadership and other state bodies with reliable intelligence support in decision-making and act to protect Croatia's national security, interests and the well-being of its citizens.

VISION

A modern, efficient and responsible security and intelligence agency, suitable to requirements, focused on the accomplishment of its mission and achievement of top results, with a significant national influence and impact and a regional reach, recognised by its developed capabilities, excellent employees and strong partner ties.

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Introductory remarks

Dear readers,

over the course of eight editions since 2014, we have observed a range of security trends and events, some of which were unexpected. These included the rise of ISIL, major terrorist attacks in European cities, the resurgence of intelligence activities reminiscent of the "Cold War", frequent cyber attacks, mass irregular migration, and the security implications of climate change.

However, there was one potential threat that we had been contemplating all these years and it materialized at the beginning of 2022 as a major conventional war on European soil initiated by Russia's military invasion of Ukraine. As this war continues, inflicting immense human and material losses, it is evident that it will have strategic implications for global security, economic development, the international order, and the multilateral mechanisms for peaceful dispute resolution. Naturally, this war also affects Croatian society, economy, and security. The repercussions of this war are also being felt within our region, as well as at the European and Euro-Atlantic levels, where efforts to strengthen collective defence and security capacities are being intensified.

The Republic of Croatia remains a secure and stable democracy. However, the ongoing security challenges and threats, such as the war in Ukraine, as well as economic and energy insecurities, give rise to uncertainties and risks. In light of such precarious security situation, it is imperative to maintain constant vigilance and dedication. Consequently, the Security-Intelligence Agency (SOA) examines, on a daily basis, a wide array of security, social, political, and economic processes and phenomena that can have an impact on both national and international security.

The security, political, and social conditions in Croatia's neighbouring southeastern region inevitably influence the Republic of Croatia, leading to the spillover of numerous security challenges into our territory. Therefore, when assessing national and European security, we also closely monitor the developments in our immediate environment, which are also documented in this public report.

Within the national and homeland security system, the Agency operates with a clearly defined role, collaborating with other competent authorities on matters pertaining to national security. In the pursuit of our tasks, we have established strong international cooperation, particularly with our allies in the EU and NATO.

Every security threat and incident require systematic and meticulous collection, processing, and analysis of data, along with the specialized knowledge and skills possessed by our Agency's employees. We are committed to preventing and averting the realization of any threats. To this end, we continually invest in the knowledge and skills of our employees, as well as in adopting technological solutions that enhance our capabilities.

Combined with our extensive knowledge and capabilities, we are able to safeguard our national security more effectively when we receive the support and trust of the Croatian society. We firmly believe that an informed public plays a crucial role in this endeavour. Consequently, effective communication and providing information to the public are paramount, and our public reports serve as a vital tool in this regard. The primary purpose of these reports is to offer a comprehensive overview of the threats and challenges faced by Croatian society. Furthermore, they provide an overview of SOA's activities in safeguarding the national security and interests of the Republic of Croatia and its citizens.

While this report is made available to the public, it is important to note that, owing to legal and security factors, it does not include the entirety of the Agency's activities during the past period, nor does it include all of our findings and assessments. Nevertheless, our aim is to carefully organize our public reports to effectively convey relevant information to the citizens of Croatia, enabling them to obtain a

reliable overview of the current security situation within our society, as well as the security trends we have observed.

As an illustration, we can highlight the significance of energy security, which has emerged as a crucial subject of concern for European nations in light of the war in Ukraine. SOA has consistently emphasized the significance of this issue since its first Public Report, highlighting the strategic value of the LNG terminal on Krk island for both Croatian and European energy security, even prior to its construction. The currently operational LNG terminal presents a vital component in bolstering Croatian energy security and serving as a strategic alternative route for gas supply to countries in this region of Europe. Recognizing its importance, and in line with the guidelines provided by the state leadership, SOA actively participated in the collective efforts of state institutions for the successful implementation of this crucial project.

Each day, the Agency's employees carry out responsible, demanding, and occasionally perilous tasks. Each individual understands their role within the broader framework of national security, fully aware that they contribute personally to the preservation of Croatian security, democratic constitutional order and values.

While the results of our efforts often remain undisclosed to the wider population, the awareness that our contributions bolster national security and the safety of Croatian society serves as our motivation to persistently dedicate ourselves to the greater welfare.

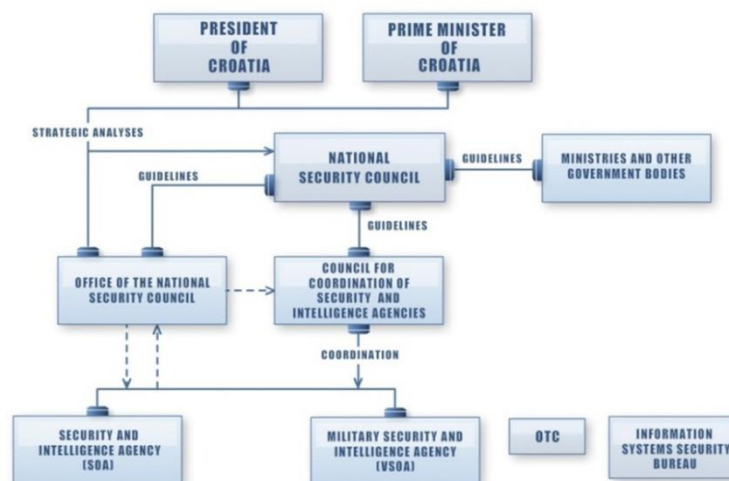
Director

Daniel Markić

The Security-Intelligence Agency protects national security and the democratic constitutional order

Security and intelligence system in the Republic of Croatia

SOA is an integral part of the national security system and serves as a vital component within the security and intelligence infrastructure of the Republic of Croatia. The security and intelligence system in the Republic of Croatia is defined by the 2006 Security and Intelligence System Act. There are two security and intelligence agencies in the Republic of Croatia: Security-Intelligence Agency (SOA) is in charge of the civilian part of national security protection, while the Military Security-Intelligence Agency (VSOA) is responsible for the military and defence part of security issues.



Security and intelligence system in the Republic of Croatia

The work of the security and intelligence agencies is directed by the President of the Republic of Croatia and the Government of the Republic of Croatia through the National Security Council (VNS). The National Security Council guidelines the work of security and intelligence agencies, considers and assesses threats and risks, and outlines relevant conclusions.

The President of the Republic of Croatia and the Government of the Republic of Croatia collaboratively develop the Annual Guidelines for the operations of security and intelligence agencies. These Guidelines encompass crucial areas necessary for upholding national security and advancing the interests of the Republic of Croatia. SOA plans its operations and reports end-users in line with the Guidelines. The Annual Guidelines also serve as a framework for the implementation of oversight and to evaluate the performance of the Agency's tasks. In addition to the Annual Guidelines and the Security and Intelligence System Act, SOA operations are governed and directed by other strategic and long-term documents such as the National Security Strategy, the National Strategy for the Prevention and Suppression of Terrorism and the National Cyber Security Strategy and other regulations.

The Council for the Coordination of Security-Intelligence Agencies, headed by the Deputy Prime Minister of the Republic of Croatia responsible for national security, is tasked with the operational coordination of the agencies' work. It is also responsible for implementing and further developing the decisions made

by the President and the Government of the Republic of Croatia concerning the operations of the SOA and the Military Security-Intelligence Agency (VSOA). The Office of the National Security Council (UVNS) provides the National Security Council and the Council for the Coordination of Security-Intelligence Agencies with expert and administrative tasks. UVNS carries out tasks which enable the National Security Council to evaluate and oversee the work of the security-intelligence agencies.

The Information Systems Security Bureau (ZSIS) is responsible for technical areas of information security and networks of state bodies. The Operational-Technical Centre for Telecommunications Surveillance (OTC) activates and manages the measures of covert surveillance of telecommunication services, activity and transmissions, at the request of SOA or other legally authorised state bodies, on the basis of appropriate warrants and approvals

Scope of work

SOA collects and analyses data with the aim of detecting and preventing activities of individuals or groups that are directed against the independence, integrity and sovereignty of the Republic of Croatia or aimed at the violent overthrow of the constitutional order; threatening to violate human rights and fundamental freedoms or to endanger the foundations of the economic system of the Republic of Croatia. Moreover, SOA collects and analyses, processes and assesses intelligence relating to foreign states, organisations, political and economic alliances, groups and individuals and other intelligence of particular importance to the national security.

SOA provides comprehensive reports on significant data and assessments to the President of the Republic of Croatia, the Speaker of the Croatian Parliament, the Prime Minister of the Republic of Croatia, and the head of the Office of the National Security Council.

SOA collects intelligence in a number of ways: in direct communication with citizens, by requesting access to official data, using covert measures and procedures, using public sources and international exchange with partner agencies.

Any measures of covert intelligence collection that infringe the constitutional rights and freedoms of the individuals and citizens must be authorised by the Supreme Court of the Republic of Croatia or SOA Director, depending on the type of the measure implemented and in line with the provisions of the Security and Intelligence System Act.

As an integral part of the national security system, SOA cooperates and delivers intelligence and security assessments to other competent authorities such as Ministry of the Interior, Ministry of Foreign and European Affairs, State Attorney's Office, Croatian State Attorney's Office for the Suppression of Organised Crime and Corruption (USKOK), Ministry of Defence, Ministry of Finance, Ministry of Economy and Sustainable Development etc.

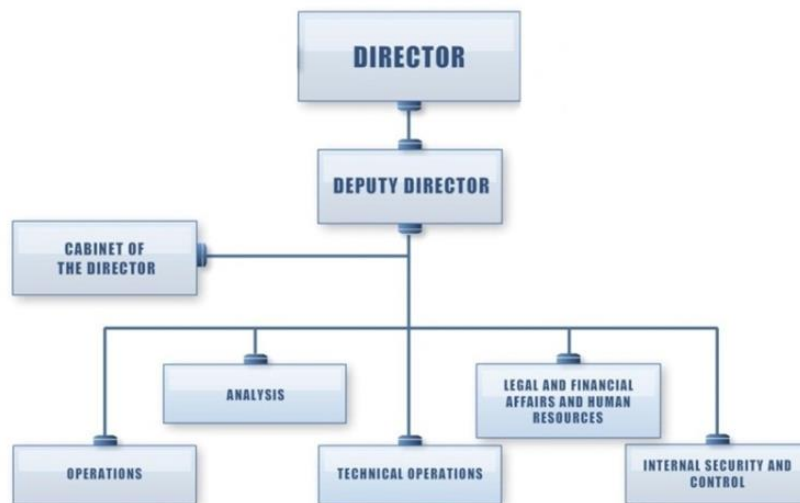


Organisation and structure

SOA is headed by a Director appointed by joint consent of the President of the Republic of Croatia and the Prime Minister of the Republic of Croatia. SOA Director is appointed for a four-year term. Daniel Markić has served as the Director since 5 May 2016. On 6 May 2020 he was appointed for a second term.

SOA is organised in the following units:

- Operations - responsible for intelligence collection,
- Analysis - in charge of intelligence analysis and preparation of analytical materials,
- Special technologies, IT and communication,
- Counterintelligence protection and internal oversight and,
- Human resources, legal and administrative affairs.



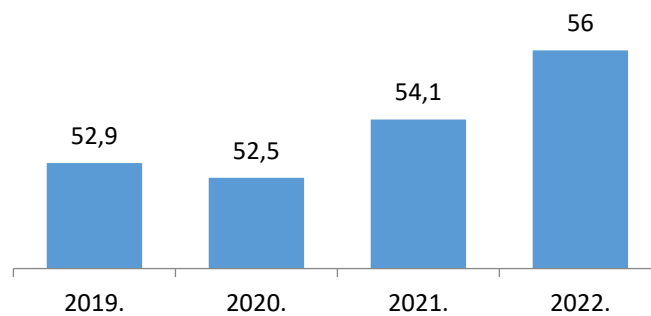
SOA organisational chart

SOA operates from the headquarters in Zagreb. To fulfil its legal obligations effectively, SOA covers the entire territory of the Republic through the operation of 10 regional centres.

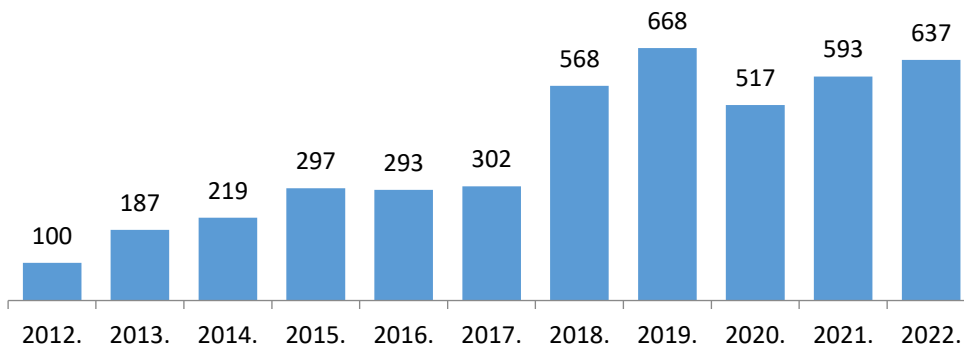
Budget management

The Agency's Budget in 2022 amounted to EUR 56 million (HRK 421 million). As in the previous years, the largest share of the Budget was allocated for labour force expenditures, followed by operating and capital expenditures. Furthermore, a significant portion of the budget is dedicated to enhancing and modernizing SOA's capabilities. Funds allocated towards development and modernisation have been invested in a planned manner, in order to attain capabilities which will allow SOA to effectively and promptly address a wide range of security and technological challenges.

As per the Security and Intelligence System Act, and in line with practices of the other EU and NATO member states, the budgetary structure of the Agency is classified. Despite that, SOA complies with all measures pertaining to budget planning and realisation, as prescribed for the purpose of lawful and expedient allocation of budgetary funds. The Agency reports the relevant authorities on budgetary expenditure.



SOA's budget broken down by years, expressed in millions of euros (the stated amount was converted from kuna to euros at a fixed conversion rate of 7.53450 kuna for 1 euro)



Index of expenditure for development and modernisation 2012 – 2022 (the year 2012 = 100)

Russian aggression against Ukraine will undermine global security and stability in the long term

In July 2021, Russian President Vladimir Putin wrote an article titled "On the historical unity of Russians and Ukrainians". In this article, he asserted that Russians and Ukrainians are part of the same nation, highlighting that modern-day Ukraine was formed during the Soviet era and encompasses territories considered part of historical Russia. According to Putin, the former Soviet republics, which are now independent states, should "return to the boundaries they had had before joining Soviet Union". The article concludes that Ukraine initiated its path towards independence based on an anti-Russian ideology, which Russia "will never accept". It also asserts that Russians residing in Ukraine face threats. He stressed the intentions of the USA and the EU to transform Ukraine into a "springboard against Russia", portraying it as an extension of a longstanding Western policy opposing Russia throughout history.

In 2021, Russia initiated a months-long build-up of forces along the border between Ukraine and Russia, as well as Belarus, citing these actions as military exercises. Despite explicitly denying any preparations for war, Russia proceeded to launch a military invasion of Ukraine on February 24, 2022. Just days prior to the attack, Russia acknowledged the independence of break-away Ukrainian provinces of Donetsk and Lugansk, which had been under the control of pro-Russian separatists since 2014. Since 2014, there have been numerous instances of armed incidents and violations of ceasefires along the dividing line that separates the conflicting Ukrainian and pro-Russian sides within the territories of these two provinces.

Through its aggression against Ukraine, Russia not only breached international law but also undermined the established European security framework that had been constructed upon the principles outlined in the Helsinki Final Act of 1975.

Russia started the invasion and launched an ambitious and all-encompassing attack in multiple directions, anticipating a swift collapse of Ukrainian defence, only to fail to achieve the expected outcome. In contrast, following a month of conflict, the Russian forces withdrew from the northern regions of Ukraine and consolidated their efforts to penetrate the Donbas region, aiming to maintain control over the captured territories in the southern parts of Ukraine. In the subsequent months, they achieved certain advancements, although at a significant cost in terms of human lives and material losses on both sides. With substantial military support from Western nations, Ukraine successfully achieved a balance of power on the battlefield, effectively reclaiming portions of the occupied territory near Kharkiv and Kherson. On September 30, 2022, following an illegal referendum, Russia declared the annexation of four Ukrainian provinces, incorporating them into its own territory. Simultaneously, Russia initiated a partial military mobilization.

Following the unsuccessful attempt to swiftly capture Kiev, Russia is now relying on attrition tactics, believing that Ukraine and the Western countries will eventually grow weary before Russia does. This, in turn, is expected to compel them to make concessions to Russia during negotiations. Simultaneously, Russia remains prepared for additional mobilization efforts and intensify missile strikes on civilian targets within Ukraine.

Russia's strategic objectives remain unchanged: to assert control over Ukraine and to reshape the European security framework to align with Russian interests. This would involve the establishment of a European security architecture that aligns with Russia's request made in December 2021, which sought to stop any further expansion of NATO and restore NATO military installations to their boundaries as of 1997.

Russia continues to try to uphold its exclusive zone of interest, particularly focusing on the territories that were formerly part of the USSR. However, due to the emphasis on the war in Ukraine and the inability to overcome Ukrainian defence, Russia's military and security credibility in the former USSR states has diminished.

In terms of internal affairs, the objective of Putin's regime is to uphold authority and ensure stability, exerting significant media control over the Russian population alongside the security apparatus.

The aggressive actions of Russia have accelerated the erosion of international security mechanisms and organizations, as well as the deterioration of arms control agreements, as documented in SOA's earlier public reports. As a result of the invasion, there has been a heightened risk of military incidents occurring on European soil between NATO and Russia. The suspension of European security mechanisms by Russia prompted Sweden and Finland to express their desire to join NATO, thereby bolstering the defence aspect of the EU and leading to increased defence expenditures in European nations. Consequently, NATO's role in European security has been further reinforced, particularly through greater commitment from the United States towards European security and the announced boost in defence investments by European member states of the Alliance.

The European Union implemented multiple sets of economic and financial sanctions against Russia, while also offering financial and humanitarian aid to Ukraine. Additionally, European countries individually provided substantial assistance to Ukraine in terms of arms and military equipment. In March 2022, the EU adopted a Strategic Concept aimed at strengthening the EU's security and defence policy. At the end of 2022, the European Union initiated the Military Assistance Mission in support of Ukraine (EUMAM Ukraine), designed to bolster the military capabilities of the Ukrainian armed forces.

The nature of the EU and Russia's mutual dependence on the natural gas market, as previously reported by SOA, became evident in its complexity following the invasion. Russia continued to use energy resources, especially natural gas, as one of the main tools of exerting pressure on European countries, aiming to undermine European unity. The European Union reacted by increasing its imports of non-Russian gas through liquefied natural gas (LNG) terminals. The United States became the primary exporter of LNG to the EU, and in the first half of 2022, Europe received more gas from the United States than from Russia for the first time.



An overview of the situation on the Ukrainian battlefield at the end of 2022

Sanctions imposed by Western countries have effectively isolated Russia from them. Moreover, on March 2, 2022, the UN General Assembly passed a resolution calling for Russia's unconditional and complete withdrawal of its military forces from Ukrainian territory within the internationally recognized borders of Ukraine. The resolution received support from 141 UN member states, with 35 abstentions, and only 4 countries (Belarus, North Korea, Eritrea, and Syria) voted against it. A similar outcome occurred during

the UN General Assembly vote on October 12, 2022, when 143 member states confirmed Ukraine's territorial integrity through a resolution.

Despite the sanctions and isolation from Western countries, large non-Western nations like China and Iran are trying to maintain and strengthen their relations with Russia. These countries, along with others such as India, Pakistan, and South Africa, chose to abstain from voting in the UN General Assembly. Furthermore, despite the majority consensus condemning Russian aggression in the UN General Assembly, many African, South American, and Asian countries refrained from imposing economic sanctions on Russia.

The Russian invasion also caused major economic disruptions, resulting in a substantial rise in energy prices and food costs due to the Russian blockade of Ukrainian export ports during the first half of 2022. Throughout 2022, Russia managed to mitigate the consequences of economic sanctions through the continued export of energy resources at high prices.

However, the resulting increase in energy and food costs, coupled with potential shortages in less developed regions, could lead to social tensions, conflicts, and migrations.



The Ukrainian war has been marked by the use of new technologies, such as drones, in military operations, with a significant volume of real-time frontline footage being shared on social media platforms

This war serves as an example of the growing significance of non-state and private actors in international relations. The Ukrainian side, for instance, employed the private Starlink satellite internet system for communication, while the Russian side relied on the private military company Wagner to execute complex combat operations. Over the years, Wagner has been involved in various conflict-affected hotspots of strategic importance to Russia, ranging from Syria and Libya to the Central African Republic. Their focus primarily lies on conflict-afflicted African nations possessing abundant natural resources. Members of Wagner have faced allegations of committing war crimes, raising again concerns about the criminal prosecution of private military companies involved in armed conflicts. Prior to the Ukrainian war, Russia consistently denied any association between Russian state institutions and Wagner, sometimes even denying its existence altogether.

One of the long-term consequences of the conflict in Ukraine will be greater availability and proliferation of small arms and light weapons, posing a significant risk in terms of weapons proliferation to terrorist and criminal organizations.

Relations between the Republic of Croatia and Russia after the invasion

The Russian side repeatedly accused the Republic of Croatia of having several hundred Croatian fighters within the Ukrainian ranks, with dozens allegedly being killed. However, the Republic of Croatia denied these allegations. In addition to these claims, on March 3, 2022, the Russian Ministry of Defence attempted to deliver an official letter of protest to the Croatian military envoy.



The Croatian military envoy in Russia refused to accept the letter of protest. The Russian Ministry of Defence filmed the delivery attempt and shared a video of it on YouTube. Within a few days of its publication, the video had 1.5 million views and nearly 3,000 comments (?!) (Screenshot: YouTube)

In April 2022, a Croatian citizen, who was a member of Ukrainian military formations, was captured by pro-Russian forces and subsequently exchanged. Additionally, a citizen of the Republic of Croatia, serving as a volunteer for a humanitarian organization, lost his life in September 2022.

In April 2022, the Republic of Croatia requested the expulsion of 18 Russian diplomats and six administrative and technical staff members from the Embassy of the Russian Federation in the Republic of Croatia. A total of five employees remained in the Embassy, which corresponds to the number of Croatian diplomats present at the Embassy of the Republic of Croatia in Moscow. (This particular case is also addressed in the Report's section on foreign intelligence activities, specifically on page 16.)

In July 2022, Russia included the Republic of Croatia in its list of "enemy countries".

The impact of the Ukrainian war is illustrated by an incident in which a Soviet-made Tupolev Tu-141 unmanned aerial vehicle crashed in the broader central area of Zagreb on March 10, 2022. It originated from Ukraine, flew over Romanian and Hungarian airspace, and ultimately crashed within Croatian airspace in Zagreb after approximately seven minutes of flight. The circumstances and motives behind the incident, as well as the launch site, are currently being investigated.

Following the Russian invasion, the LNG terminal located on the island of Krk demonstrated its strategic significance as one of Croatia's vital assets in supporting European energy and economic security. Despite its capacity limitations, the LNG terminal provides an alternative route for gas supply and enhances energy security for the Republic of Croatia and neighbouring nations.

Global relations in the context of the war in Ukraine

On a global scale, the Russian invasion signifies an escalation in the rivalry between the West and its values, and non-Western non-liberal and authoritarian actors, further deepening the divide. On the foreign policy front, Russia actively engages in forming a geopolitical coalition of authoritarian states that oppose the West.

In this context China, alongside Russia, stands as the primary systemic rival of the USA and the West, and their relationship has deepened further following the Russian invasion. However, as previously highlighted in SOA's earlier reports, the Russian-Chinese relationship is increasingly characterized by an imbalance in power and influence, with China gaining the upper hand. Russia's reliance on China to alleviate Western economic and political sanctions will intensify its economic and technological dependence on China, thereby diminishing Russian influence in areas where conflicting interests between the two countries arise. A notable example is China's growing influence among the former Soviet Union states in Central Asia, a region that Russia considers to be within its sphere of interest.

The Strategic Compass for Security and Defence of the EU designates China as a partner for cooperation, an economic competitor, and a systemic rival. The EU acknowledges the significant development and modernization of the Chinese armed forces, including the enhancement of their nuclear capabilities. Additionally, China's expanding presence in maritime and space domains, as well as their use of cyber tools and hybrid tactics, has been recognized.

Meanwhile, the USA, despite its increased presence in Europe and active defence support for Ukraine, still regards China as its primary strategic rival. In the Pacific region, the USA relies on a network of alliances, with the issue of Taiwan being a notable point of contention due to the special security arrangement between the USA and Taiwan.

In the recently adopted Strategic Concept at the Madrid summit on June 29, 2022, NATO stated that China's ambitions pose a challenge to the interests, security, and values of the Alliance. NATO also acknowledged China's use of a wide array of political, economic, and military tools to expand its global influence and project power. However, the exact strategy, intentions, and military buildup of China remain somewhat ambiguous. NATO highlighted its willingness to engage constructively with China and promote transparency between the two parties. However, the organization will enhance its preparedness, bolster resilience and protection against China's coercive tactics and efforts to divide the Alliance. Additionally, NATO announced its intention to strengthen dialogue and cooperation with both new and existing partners in the Indo-Pacific region. To this end, leaders from Australia, Japan, New Zealand, and South Korea participated in the NATO summit held in Madrid.

China continues to pursue an ambitious strategy aimed at strengthening its global presence and influence. By significantly strengthening its military potential, China seeks to achieve military capabilities that will be equal to those of the United States. China seeks to promote its own political, economic, and value system as an alternative to the Western liberal model. To achieve this, China relies on various international initiatives such as the New Silk Road, the Global Security Initiative, and the Shanghai Cooperation Organization. These initiatives have a particular focus on the BRICS countries (Brazil, Russia, India, China, South Africa) and other nations in the so-called Global South. China also seeks to strengthen its political influence in the Middle East.

However, despite the growing rivalry between the liberal-democratic bloc led by the USA and its network of alliances, and the autocratic bloc led by China and Russia, this does not signify a complete return to the Cold War's bipolar world order. Many countries, including significant ones like Brazil, India, and South Africa, currently refrain from aligning themselves with either side. Furthermore, in light of global challenges and interconnected economies, practical collaboration is necessary in various domains, including addressing climate change and pandemics, ensuring global trade stability, and regulating cyber-related issues.

The COVID-19 pandemic and economic downturn, coupled with the escalating impact and consequences of climate change, have led to energy insecurity, food insecurity, debt repayment difficulties, and inadequate financing for essential public services in numerous countries worldwide.

Jihadist terrorism remains a significant threat to European security

There are no known cells of terrorist organizations within the Republic of Croatia and the risk posed by international terrorist groups to the Republic of Croatia is currently assessed as low.

Nevertheless, similar to other European nations, there is a potential risk of terrorist attacks being perpetrated by (self-)radicalized individuals (the so-called "lone wolves") who draw inspiration from terrorist propaganda. Individuals with mental instability are particularly vulnerable to such influence.

The primary threat to Europe continues to be terrorism associated with radical Islam, specifically acts of violence carried out by Salafist jihadists.

Recent terrorist incidents in Europe have predominantly involved lone attackers utilizing basic weapons, mainly knives. Although many of these individuals were sympathizers of ISIL or Al-Qaeda, they typically lack any real connections to terrorist organizations. Only a portion of the attackers had prior records within security structures, often associated with jihadism or violence, while others had received treatment for mental disorders. The highest number of attacks occurred in France and Germany.

It is important to note that there are only a few dozen followers of Salafism in the Republic of Croatia, and they do not promote violence. However, in the Western Balkan countries, Salafism has gained thousands of adherents, with a smaller fraction supporting ISIL and Al-Qaeda and advocating for terrorist methodologies. This group includes individuals who have returned from conflicts in the Middle East, predominantly former members of ISIL, possessing military knowledge, combat experience, and a higher level of indoctrination with terrorist ideologies. Radical followers of Salafism often gather in parajamaat settings and use social networks for communication. This allows for the radicalization of young individuals, posing a long-term security challenge.

While the Western Balkans have not experienced any recent terrorist attacks, there have been arrests made concerning individuals and groups planning such attacks. For instance, in October 2021, five individuals were apprehended in Kosovo for planning terrorist acts, resulting in the seizure of a significant quantity of firearms, ammunition, explosives, as well as unmanned aerial vehicles (drones) and anti-tank weapons.

Out of approximately 1,000 individuals who travelled from the Western Balkan countries to territories controlled by terrorist organizations in Syria/Iraq, around 50% have returned, approximately 25% have been killed, and the remaining 25%, including a significant number of children born in those areas, still remain in Syria. The ongoing repatriation processes of fighters, women, and children have encountered obstacles due to the impact of the COVID-19 pandemic. Furthermore, previously repatriated terrorists have received relatively short prison sentences, and some have already been released. The return of these individuals, particularly those who actively participated in conflict, poses a threat not only to their home countries but also to neighbouring nations.

Apart from the fighters themselves, there is also a long-term concern surrounding radicalized women returnees who, except in Kosovo, have not undergone proper rehabilitation or legal processing. A majority of these individuals do not renounce their radical beliefs and raise their children in a similar ideology.

Individuals, often with dual citizenship of the Republic of Croatia, who were radicalized and resided outside the Republic before traveling to territories controlled by terrorist organizations, still remain in Syria. They are primarily located in camps for family members of ISIL fighters.

European security is also at risk from individuals who have not joined ISIL and Al-Qaeda in conflict zones, as well as individuals convicted of terrorism, some of whom have already completed their prison sentences. Past experiences have demonstrated that individuals convicted of terrorism are seldom successfully deradicalized, and some continue to pose a threat even after their release from prison. The ineffectiveness of deradicalization programs within correctional facilities, coupled with the interactions between terrorism convicts and individuals incarcerated for other offenses, allows terrorists, particularly charismatic jihadist preachers, to radicalize other inmates. Even after their release, these jihadist preachers continue their activities. At the beginning of 2023, more than 200 individuals convicted for involvement in jihadist terrorism are scheduled for release from prisons in Western European countries.

Despite recent losses suffered by international terrorist organizations, particularly ISIL and Al Qaeda, these groups remain active in conflict zones. On July 31, 2022, Ayman al-Zawahiri, the leader of Al Qaeda, was killed by US security forces in an airstrike in Kabul, Afghanistan. Zawahiri, who served as the deputy to Osama bin Laden until bin Laden's death in 2011, was responsible for the September 11, 2001 attacks in the United States, along with numerous other terrorist incidents.

Al-Qaeda leaders continue to seek refuge in Afghanistan, as evidenced by Zawahiri's months-long presence in the same Kabul district where Taliban leaders reside (where he was eliminated). The further strengthening of Al-Qaeda in Afghanistan could potentially escalate the terrorist threat.



Members of ISIL in Afghanistan

Abu Ibrahim al-Qurayshi, the leader of ISIL, was also eliminated by US forces in Syria in February 2022. While the losses suffered have diminished the capabilities of terrorist organizations, they continue their efforts to commit acts of terrorism. These groups remain active online, using the Internet to expand their supporter base and promote terrorism.

ISIL, for instance, continues to carry out various terrorist activities. However, their focus has shifted from Syria and Iraq to regions such as Afghanistan and sub-Saharan Africa. This shift highlights the increasing significance of ISIL's provincial networks within its global structure and emphasizes the enduring influence of ISIL's ideology, even after the loss of their territorial strongholds in Syria and Iraq.

The incident of Kurdish security forces being targeted in an attack at Al Sina'a prison in the city of Hasakah, Syria, in January 2022, where ISIL members were held, indicates the ongoing capabilities of ISIL. During a prolonged armed assault, ISIL managed to briefly seize control of sections of the prison, releasing several hundred of their members. It was the largest ISIL operation since the territorial defeat in Syria in the spring of 2019.

The branch of ISIL known as the so-called Islamic State Khorasan Province, operating in Afghanistan, has witnessed a strengthening of its position following the departure of NATO forces and the Taliban's takeover of the country last year. It currently presents the most significant security challenge to the Taliban government.

Extremists use social media to propagate their ideologies

Extremism includes activities and beliefs that oppose the democratic order and advocate for the violent overthrow of Croatia's democratic constitutional system. SOA examines all forms of extremism, irrespective of their ideological, political, religious, or national origins.

Within the Croatian society, extremism does not hold any significant influence or receive public support, thereby lacking the strength or potential to destabilize national security. Extremist groups, regardless of their ideological foundation, have only a small number of followers in the Republic of Croatia. However, the possibility of isolated incidents and acts of violence by self-radicalized individuals cannot be completely disregarded.

In the previous report, SOA discussed the armed attack that occurred on October 12, 2020, which exhibited characteristics of a terrorist act. Such an attack increases the risk of radicalization and the potential for subsequent acts of violence or new attacks.

Extremist conspiracy theories continue to exploit the COVID-19 pandemic, making their followers more vulnerable to additional radical ideologies. Individuals who are mentally unstable pose the highest risk for (self) radicalization, as they are particularly susceptible to conspiracy theories. Such individuals, obsessed with extremist views, could also engage in terrorist activity. The risk of (self) radicalization is further intensified by factors such as social isolation, the ready availability of extremist content on the internet and social networks, and the public visibility of individuals with extremist views.

Similar to the situation across Europe, the implementation of stricter anti-epidemic measures in the Republic of Croatia led to an increase in protest activities by opponents of these measures, which generally does not fall within the realm of extremism. However, extremist individuals have taken advantage of these public gatherings to incite incidents while intensifying hate speech in various domains, including the internet, social networks, and public spaces. This includes issuing threats towards government officials, members of the National Civil Protection Staff, healthcare workers, journalists, and other public figures.

In terms of ideology, these individuals exhibit a diverse range of views that include various conspiracy theories, extreme right-wing perspectives, opposition to European integration and globalization processes, and particularly resistance against COVID-19 prevention and containment measures.

Over the recent period, SOA has detected efforts by individuals with extremist and militant inclinations to organize their followers into paramilitaries, aiming to carry out military training and procure weapons, ultimately with the objective of overthrowing the democratic constitutional order of the Republic of Croatia. Although their number of followers is small and lacks the potential for mobilization or gaining broad public support, the extremist attitudes and intentions of these individuals, especially in the case of persons with mental disorders, pose a security risk. SOA consistently shares its findings with the relevant state authorities and the state leadership. Throughout 2022, SOA reported, on multiple occasions, its extremism-related findings to the Croatian Parliament's Domestic Policy and National Security Committee.

Certain individuals with extremist ideologies attempted to exploit dissatisfaction with anti-epidemic measures in order to incite conflicts and promote conspiracy theories. Some even advocated for violence, the overthrow of the Republic of Croatia's constitutional order, and even acts of terrorism. As a result, in December 2021, the State Attorney's Office initiated an investigation against several individuals based on reasonable suspicion of committing the criminal offense of publicly inciting terrorism. The defendants

are suspected of calling for physical attacks on members of the Government and Parliament of the Republic of Croatia, advocating for the occupation of public facilities including Croatian Radio and Television, and promoting violent methods to combat the legal institutions of the Republic of Croatia, including their forceful overthrow and the violent change of the constitutional order.

Similarly, in September 2022, during a protest in Zagreb, law enforcement authorities apprehended an individual in possession of "Molotov cocktails" and an improvised cold weapon.

The militant nature of individuals with extremist views is further illustrated by their adoption of military formations and marches during protests against the implementation of COVID-19 pandemic containment measures, where they also disseminate extremist messages.

These radicalized individuals sometimes exploit national sentiments and symbols from the Homeland War to get legitimacy for their ideologies, particularly among a population sensitive to issues related to Homeland war. For instance, those engaged in extremist activities often emphasize their patriotism and possible veteran status while simultaneously advocating for the overthrow of the Croatian democratic constitutional order and for the use of violence against state institutions.

Extremist ideologies find a platform on the internet and social networks, enabling individuals to engage with like-minded individuals or consume extremist content independently, leading to potential radicalization. Extremist views and hate speech specifically target various minority groups.

Over the past years, there has been a rise in armed and terrorist attacks committed by individuals holding extreme right-wing beliefs across Europe.

In the Republic of Croatia a small number of individuals adhering to extreme left-wing ideologies, driven by ideas of anarchism, anti-globalism, and anti-capitalism, remain active primarily in the virtual realm.

The risk of Greater Serbian extremism in the Republic of Croatia is relatively low, as it has a small number of sympathizers who are not directly affiliated with extremist Greater Serbian and Chetnik (also pro-Russian) organizations present in neighbouring countries. However, in the context of incidents between local ethnic groups, it can still pose a threat to public safety.

Certain extremist individuals within fan groups often disrupt public safety through acts of violence, occasionally displaying ultra-nationalist symbolism. Inter-ethnic conflicts occasionally arise between fan groups associated with sports clubs from the Republic of Croatia and Serbia, particularly in the Croatian Danube region and the Dalmatian hinterland. However, it is worth noting that the frequency of such conflicts and incidents has decreased in recent times.

Foreign intelligence and information activities are continuously present, although not always visible

During periods of geopolitical shifts, such as those witnessed in recent years, intelligence and information activities become particularly intense. Additionally, due to its membership in the EU and NATO, the Republic of Croatia becomes of great interest to countries that perceive it as a security, political, or economic rival.

Foreign intelligence efforts towards the Republic of Croatia primarily involve gathering information that is of relevance to various foreign intelligence agencies. Moreover, these activities aim to influence decision-making processes, public opinion, as well as the Republic of Croatia's foreign policy stance and interests.

The main focus of foreign intelligence activities is to collect data regarding security, political, and economic developments within the Republic of Croatia, particularly concerning unresolved issues and Croatian policies toward Western Balkan countries.

As previously mentioned in public reports, foreign intelligence activities also concentrate on gathering information related to the Republic of Croatia's EU and NATO membership. In this respect, states that perceive NATO and the EU as a security challenge or threat, perceive the Republic of Croatia as a point of intelligence interest.

The expulsion of 18 diplomats and six members of the administrative and technical staff from the Embassy of the Russian Federation in the Republic of Croatia was prompted by their involvement in covert and illicit intelligence operations within the Republic of Croatia. These activities were in direct violation of the provisions outlined in the Vienna Convention on Diplomatic Relations.

As previously stated in public reports, information-related activities against the Republic of Croatia, including the dissemination of false news and narratives have continued. The objective behind these actions is to portray the Republic of Croatia as a destabilizing force in its surroundings and as an untrustworthy member of both the EU and NATO. This strategy is particularly evident in the context of the Croatia's foreign policy towards the Western Balkans. The ultimate aim of these information operations is to hinder the Republic of Croatia's foreign policy efforts, diminish its standing within Euro-Atlantic associations, and create discord among EU and NATO member states.

To propagate these narratives, various media platforms are misused under the facade of investigative journalism, as well as certain scientific institutions and individuals within the academic community. These narratives specifically target the academic, professional, and political communities within the Euro-Atlantic countries. These so-called "scientific" arguments aim to portray the Republic of Croatia as an unreliable member of NATO and the EU. They also seek to establish a connection between the Republic of Croatia and Russian interests in the Western Balkans, depicting it as a country that intends to destabilize the region and cause conflicts within Bosnia and Herzegovina.

Orban's group of associates, popularly named "*The Criminal International*" is now trying to hide their connections with the regime of Putin. The initiative of the Slovene Prime Minister Janez Janša and the Polish one **Mateusz Morawiecki** that the Ukraine as well as the Western Balkans should be accepted in the EU membership on a fast track, is plain bluffing. Janša and Morawiecki and their Governments namely all the time behave within the EU on a subversive basis. Additionally, various non-papers that brought situation in BiH to the edge of war, attribute to Janša, whereas the Polish secret service, in cooperation with the Croatian pandan SOA, continuously works against Bosnia and Herzegovina, imaginatively presenting its bare two million of Bosnjaks as the *Islamic menace* that is supposed to threaten the EU and its 500 million inhabitants.

and Čović as the executors of policies that deny Holocaust and genocide becomes crystal clear. Furthermore, the role of Polish security-intelligence agency (ABW) during the visits by Dodik, Čović and other negators of Holocaust to the Auschwitz[9] camp is quite surprising. Namely, the ABW has become a close collaborator of the Croatia security-intelligence agency (SOA). Specifically, judging by everything the SAO fabricates the so-called Islamic dangers/threats and then distributes them within the EU, in an attempt to radicalize the situation in intelligence communities in the EU and wider area.

The EU Intelligence College[10] EU, which is under the influence and supervision of France, is used for distribution of untruths and semi-truths about Bosnia and Herzegovina. The Croatian SOA participated in the brokering of the deal on procurement of 12 used *Dassault Rafale* multirole fighter aircrafts France. Croatia is striving to position itself as a "France's actor", without the US or United Kingdom, but also without Germany. Croatia is also positioning itself as a partner of Russia. Such an approach by Croatia is not just a part of the official policy of Croatia, but is also conditioned with the status of the SOA Director **Daniel Markić**, who is a French citizen. Markić

Quotes extracted from "scientific analysis" by unnamed authors produced by a regional institute in which they accuse the Republic of Croatia, SOA, and other EU members of provoking conflicts and destabilization in Bosnia and Herzegovina. Furthermore, they describe the Republic of Croatia as a Russian "Trojan horse" operating within the EU and NATO

In addition to disseminating anti-Croatian, anti-Western, and pro-Russian narratives, Russian portals operating in the Serbian language, such as RT Balkan and Sputnik Srbija, actively shape public opinion in neighbouring countries. RT Balkan has been operating in Serbia since November 2022. These portals specifically aim to draw parallels between the Republic of Croatia's politics and those of the Ustasha regime during Second World War.

Besides conventional methods of intelligence operations and information gathering, contemporary technologies are increasingly employed for intelligence purposes. Consequently, there is a growing trend of using sophisticated cyber attacks on the information infrastructure of governmental entities to facilitate espionage and data theft. These attacks predominantly focus on the secure systems and communications of government bodies engaged in foreign affairs, defence, finance, and the economy. Organized cyber groups, which maintain connections to the intelligence systems of the countries orchestrating or using their services, carry out these cyber attacks. That is why these groups are often referred to as state-sponsored.

SOA's Cybersecurity Centre has detected an increase in the number of state-sponsored cyberattacks

Safeguarding the national cyberspace is considered equally vital as protecting other aspects of national security. Consequently, in 2019, SOA initiated the establishment of the Centre for Cybersecurity, focusing on developing national capabilities to safeguard the cyberspace of Croatia. To address this concern, the focus has been placed on enhancing professional expertise, bolstering technical infrastructure, and fostering international cooperation with partner agencies, as well as within the framework of the EU and NATO. Presently, the Centre for Cyber Security diligently implements cybersecurity measures and activities to protect numerous state entities and critical infrastructure. Starting from the end of 2021, a collaborative team of cyber experts from various security and intelligence bodies operates jointly within the Centre.

The most significant initiative for protecting the national cyberspace is SK@UT system, designed to detect, provide early warnings, and offer protection against state-sponsored cyberattacks, Advanced Persistent Threat (APT) campaigns, and other cyber threats. SK@UT system incorporates not only all ministries and entities within the security-intelligence system but also includes crucial components of the state's information infrastructure. The Government of the Republic of Croatia made a decision in 2021 that facilitated the expansion of the SK@UT system to include critical infrastructure operators, key services, and digital service providers, all in coordination with sectoral bodies. This decision allowed other legal entities in the Republic of Croatia whose operations could significantly impact society and the economy if disrupted by a cyberattack to access the SK@UT system. The SK@UT system, therefore, serves as the "cybernetic umbrella" of the Republic of Croatia, currently including over 60 state bodies, key service operators, and legal entities of special interest to Croatia.



On May 11, 2022, the Director of SOA delivered a presentation on countering advanced cyber threats from an intelligence perspective at the Cybertech Europe 2022 conference held in Rome. The full text of the director's presentation was subsequently published by Airpress, an Italian magazine specializing in security and defence topics

The increased visibility of the national cyberspace, intensive international cooperation, and developed national capabilities play a crucial role in detecting and preventing sophisticated cyber attacks. As a result of these efforts, a significant portion of cyber attacks targeting entities within the SK@UT system is identified at the earliest stage. In a limited number of cyberattacks that lead to information system compromises, a computer incident response procedure is implemented to assist the affected entity in restoring business processes.

Since the beginning of Russian aggression against Ukraine, there has been a notable increase in cybernetic Advanced Persistent Threat group activities targeting entities within the Republic of Croatia. In 2022, a total of 19 state-sponsored cyberattacks were identified, with 14 incidents detected in 2021. The majority of these identified state-sponsored APT groups have connections to Russian intelligence services. While their primary targets in the Republic of Croatia remain the Ministry of Foreign and European Affairs and the Ministry of Defence, the range of targeted entities has expanded compared to previous periods. There has also been an increase in the number of attackers and their sources. Alongside the heightened frequency of attacks, new attackers, their targets, and the use of new tactics, techniques, and procedures (TTP) during these attacks have been detected.

Hunt Forward Operation - a joint cyber security operation between SOA and U.S. Cyber Command team

In 2022, U.S. Cyber Command (USCYBERCOM) dispatched a team of cyber experts to the Republic of Croatia in order to hunt for malicious cyber activities within partner computer networks. As per the Government of the Republic of Croatia's decision, SOA's Cyber Security Centre hosted this cyber team.



Illustration: US Cyber Command Public Affairs

USCYBERCOM carries out security operations worldwide in collaboration with partner nations, aiming to acquire knowledge regarding the sophisticated activities of cyber attackers. This collaboration enables their own country and allied nations to enhance cybersecurity measures and bolster resilience.

In addition to mitigating the actions of malicious cyber actors who target national and partner networks, data, and systems, this cooperation provides valuable insights into the tactics, techniques, procedures, capabilities, and tools employed by attackers. Consequently, it facilitates more effective protection against cyber threats for both the country and its allies.

Globally strengthening of cyber resilience

The Republic of Croatia also faces the growing challenge of cybercrime and ransomware. These attacks exhibit a specific characteristic of targeting diverse organizations and legal entities, primarily based on the victim's financial capacity to meet the ransom demands. However, they are increasingly focused on disrupting socially or economically critical processes, such as hospital systems, media houses, or energy companies. Sophisticated ransomware attacks employ the tactics, techniques, and procedures commonly used by state-sponsored cyber APT groups. These attacks often evade detection by commercial security solutions. This is a global challenge, prompting the United States to launch a global initiative Counter Ransomware Initiative aimed at countering ransomware attacks. The Republic of Croatia has also joined this initiative, and SOA's Cyber Security Centre actively participates in it.

Several significant attacks of this nature have targeted state institutions and legal entities with critical information and media infrastructure. Consequently, the activities of the Cyber Security Centre primarily focus on providing additional protection to both public and private entities. Compromise of these entities through a cyber attack could potentially lead to crisis situations at the national level.

To address these challenges and trends, SOA has been implementing an operational level of coordination in managing large-scale cyber attacks and cyber crises within the Republic of Croatia since 2020, as determined by the National Cyber Security Council and the Coordination for the Homeland Security System. From 2020, SOA has been actively participating as the representative of the Republic of Croatia in the EU CyCLONE network, which focuses on managing cyber crises and major cyber incidents.

EU pilot project providing financial support for cyber resilience

At the end of 2022, as the national representative for EU CyCLONe, SOA collaborated with the EU Agency for Cybersecurity (ENISA) to prepare and initiate the implementation of the European Commission's Pilot Project. This project aims to provide financial support for enhancing cyber resilience across the European Union. As a result of the Pilot Project, ad-hoc EU funds were allocated to strengthen the cyber resilience of member states. In the Republic of Croatia, state bodies, operators of critical services, and entities of special interest were selected as beneficiaries of these funds.

The Pilot Project is fully financed by EU funds, offering a twofold benefit to the Republic of Croatia. Firstly, state bodies and legal entities will have access to services worth at least EUR 1.7 million over the course of three years. Secondly, Croatian companies, already selected through an EU tender process, will act as contractors for the project.

EU Cybersecurity package

The EU is actively engaged in bolstering cyber resilience, and a crucial objective in the upcoming period is to establish a regulated framework for the field of cybersecurity. This is primarily driven by the rapid technological advancements, leading to an increased dependence on technology. This dependence extends beyond the state sector and critical infrastructure, affecting all segments of society. Consequently, in many cases, cyber incidents can quickly cascade and disrupt essential social and industrial processes.

By defining the responsibilities of state administration bodies and other entities involved in the EU Council's working groups and committees, the Government of the Republic of Croatia appointed SOA as the national coordinator and monitor of EU cyber matters through the Horizontal Working Party on Cyber Issues (HWPCI) in September 2022.

The EU and its member states have formulated a plan to enhance cyber resilience. This plan involves the implementation of legal frameworks, standards and the introduction of accreditation and certification processes. To facilitate this, the EU has adopted a new directive, known as the NIS2 directive, which aims to effectively manage organizational and security processes in both the EU's cyberspace and the national cyberspace of member states.

The harmonized application of NIS2 requirements across all member states and EU institutions will ensure the critical cyber elements of the EU and member states meet key security goals. It will also establish management tools for organizational and cyber security processes, facilitate cooperation among competent authorities and entities subject to the NIS2 directive, and promote a regulated approach to cyber security at the EU level. This includes the implementation of measures aimed at achieving a high common level of cyber security throughout the European Union.

As the digitization process continues, an increasing number of public sector entities will become connected to the state information infrastructure. For the Republic of Croatia, this implies that the cyber security system will extend to all levels of state bodies and local and regional self-government bodies, particularly through the national transposition process of the NIS2 directive.

Consequently, the ongoing process of transforming SOA's Cyber Security Centre into the National Centre for Cyber Security is underway in order to centralize cyber security management within the Republic of Croatia. This transformation uses the technical, organizational, and professional capabilities that have been developed in previous years, as well as the expertise and capacities developed by SOA in the field of cyber security.

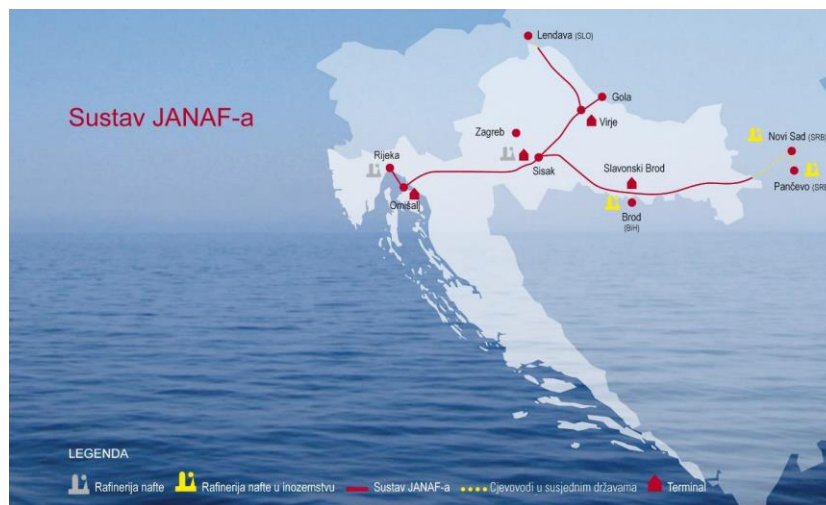
The availability and affordability of energy sources directly impact economic security

Economic security is a vital element of national security, and a resilient economy serves as its cornerstone. Energy security has emerged as a critical factor in ensuring the resilience of economies.

The global economic disruptions caused by the COVID-19 pandemic were exacerbated by the health crisis it triggered. Stringent measures were implemented, resulting in limitations on the movement of people, goods, and services. Consequently, trade became challenging, production and consumption of goods declined, leading to company bankruptcies, increased unemployment rates, and a decrease in GDP.

The vulnerabilities of globalized economic activities and supply chains were exposed, as disruptions occurred in supply chains, production, and the balance of supply and demand. Consequently, there were shortages, delays in production, and price increases for specific products, goods, and raw materials. Subsequently, Russia's aggression against Ukraine further disrupted global economic flows, particularly in the energy and agriculture sectors.

The war in Ukraine served as a reminder of the interdependence and vulnerability of the global economy to non-economic external shocks.



The JANAF oil pipeline system plays a vital role in ensuring energy security for the Republic and the neighbouring countries (Source: Janaf)

The Russian aggression against Ukraine, coupled with the subsequent imposition of sanctions, resulted in significant geopolitical and economic repercussions. These repercussions mostly affected the EU economy (in addition to the Russian economy affected by sanctions and Ukrainian economy affected by Russian aggression) and consequently had an impact on Croatia's economy as well. One area of concern is energy security, specifically the availability of energy sources, particularly natural gas, at affordable prices.

In terms of the global factors influencing the production and consumption of natural gas, the USA and China hold a significantly advantageous position compared to Europe. The USA, independent from Russian energy sources, has emerged as a leader in LNG production and export, particularly to the EU. In contrast, China benefits from significantly lower prices for Russian energy products and relies on them for its energy supply.

Sanctions imposed on Russia led to a redirection of its energy exports away from European nations, particularly towards non-European countries like BRICS. The rise in oil prices provided Russia with substantial profits, enabling the continuation of aggression against Ukraine and mitigating the impact of sanctions. However, these increased oil prices have also placed a burden on the Russian economy and exacerbated existing inflationary pressures.

To address the adverse impacts of inflation and the uncertain relationship with Russia, European Union (EU) countries implemented several measures. These include reactivating previously decommissioned thermal power plants to compensate for the shortfall in Russian gas by using coal. Additionally, parts of the power sector were nationalized to gain control over electricity prices. Temporary taxes were introduced on windfall profits generated by banks and energy companies, alongside efforts to reduce energy consumption. The war in Ukraine has further accelerated the advancement and use of renewable energy sources, aligning with the EU's pre-existing energy policy outlined in the European Green Plan, which focuses on the transition to sustainable energy.

Ever since our initial Public Report, SOA has consistently emphasized the significance of energy security—ensuring the availability of affordable energy sources—as a fundamental prerequisite for economic progress. Furthermore, SOA has consistently highlighted the significance of the LNG terminal on the island of Krk, even prior to its construction. By commissioning the LNG terminal, the Republic of Croatia has bolstered its own and regional energy security while diversifying the gas supply. Aside from the LNG terminal, the Republic of Croatia benefits from additional sources of energy stability, including gas pipelines, oil pipelines, gas storage facilities, and oil terminals located within its territory.



LNG terminal in Omišalj on the island of Krk (Photo: LNG Croatia)

Croatia has imported approximately three-fourths of its natural gas requirements while relying on domestic deposits to meet the remaining one-fourth. Given the current circumstances, the significance of the LNG terminal has become evident as it currently meets the majority of Croatia's natural gas needs. The annual capacity of the LNG terminal matches approximately Croatia's annual natural gas consumption, making it a critical component of the country's energy security. Recognizing its importance, the Government of the Republic of Croatia decided in August 2022 to expand the terminal's capacity from 2.9 to 6.1 billion cubic meters of gas per year, with implementation planned for the near future.

As a result, the Republic of Croatia enjoys a more advantageous position in terms of the availability and diversification of energy supply routes (LNG terminal, domestic deposits, and import interconnections) compared to many countries in Central and Southeastern Europe.

A vital aspect of economic security is the awareness among economic entities regarding security risks, including activities disguised as legitimate economic operations, such as intelligence and hybrid operations, money laundering, economic espionage, intellectual property theft, ransomware attacks, the creation of economic dependencies, and similar threats.

SOA plays a supportive role in assisting state authorities in their efforts to combat corruption and economic crime

As emphasized in previous public reports, the primary responsibility for combating corruption within the Republic of Croatia lies with specialized bodies of the police and the State Attorney's Office (DORH). These bodies, alongside the separate branch of the government represented by the courts, handle criminal proceedings and gather evidence for legal actions.

Within its legal mandate, SOA can provide assistance to other competent state authorities in the fight against corruption, using its informations and operational-analytical capabilities. This assistance is particularly relevant when instances of corruption have the potential to impact national security. Consequently, SOA consistently offers intelligence support to the relevant state authorities and participates in activities where its capabilities can contribute to upholding the Republic of Croatia's legal order.

SOA also actively participates in activities related to the prevention of money laundering and terrorist financing. This system comprises various national bodies (Anti-Money Laundering Office, State Attorney's Office, Croatian State Attorney's Office for the Suppression of Organised Crime and Corruption, Ministry of the Interior, Croatian National Bank, Croatian Financial Services Supervisory Agency, Ministry of Finance, and others) alongside international cooperation with foreign financial intelligence units. Similar to other areas, SOA becomes involved in these activities when other competent authorities require intelligence support. This collaboration occurs when the capabilities and expertise of the Agency are essential in resolving specific cases. This collaboration becomes especially crucial in investigations concerning suspected terrorist financing.

Both individual investors and criminal organizations, originating from the Republic of Croatia or other countries, seek to obscure or unlawfully integrate their acquired capital into legitimate financial streams by employing various forms of money laundering.

When SOA uncovers information through its operational activities that may indicate instances of corruption or criminal behaviour, it promptly reports such findings to the relevant authorities, primarily the State Attorney's Office in cases involving potential criminal offenses. If necessary, other state authorities, such as the Ministry of Interior, may also be notified.

However, due to legal provisions and security standards, SOA is unable to publicly disclose specific details regarding its intelligence support to other state entities during ongoing criminal proceedings or provide information on individual cases of suspected corruption.

Corruption within the public and state sectors has far-reaching consequences that impact various segments of society, causing harm to public finances, the state budget, the economy, and overall economic development. Corrupt activities are closely intertwined with almost all forms of economic crime.

The domain of public tenders and procurement, in particular, is especially vulnerable to corruption risks, which may include manipulating tender conditions, cancelling tenders, disclosing insider information, modifying contract terms, involving pre-arranged subcontractors, inflating work prices, participating in cartels, and other illicit practices.

Efforts to unlawfully influence decision-making processes, especially those involving decisions of public interest, as well as judicial, economic, and other proceedings, can lead to significant consequences.

Measures funded by the state budget and EU funds and aimed at assisting the economy during times of crisis, including financial aid, support, and subsidized credit lines, are also susceptible to potential corruption risks.

In this context, numerous European countries have observed attempts to exploit the health and economic crisis triggered by the COVID-19 pandemic for illicit gains. Shortages of personal protection equipment and resources early on in the pandemic necessitated that these goods be supplied through alternative channels, which created opportunities for various manipulations and illegal operations carried out by individuals and companies with the aim of generating illicit revenue.

Processes involving decision-making and asset management, where effective control mechanisms have not been established, are especially vulnerable to corruption risks.

War crimes and the search for missing persons during the Homeland War are an ongoing priority in SOA's work

At the time of this report, the fate of 1418 people and the burial locations of 394 fatalities from the Homeland War remain unknown, making a total of 1812 open unresolved cases.

SOA has continuously cooperated with competent authorities (Ministry of Croatian Veterans, Ministry of the Interior, Military Security-Intelligence Agency, State Attorney's Office) in order to determine the fate and burial locations of missing persons.

The passage of time has not diminished the significance of this issue for SOA. Its priority is to determine the locations of both mass and individual graves of individuals who disappeared during the Homeland War, as well as to uncover the circumstances surrounding their disappearance, death, and burial.

This is an extremely sensitive humanitarian issues, which also impacts inter-ethnic and international relations.

Apart from the elapsed time and the unavailability of individuals possessing information regarding the grave sites, a significant obstacle lies in the lack of cooperation from institutions within the Republic of Serbia where crucial documentation is held, and where a substantial number of individuals with the necessary information are located.

Furthermore, during the aggression against the Republic of Croatia, there were prison camps situated in the territory of the Republic of Serbia where Croatian soldiers and civilians were forcibly detained and subjected to abuse, primarily from the Croatian Danube region.

Despite public declarations by Serbian institutions about initiating more intensive and concrete cooperation on these matters, substantial progress has not been achieved thus far.

In November 2021, a mass grave containing the remains of 12 murdered civilians was discovered and exhumed in the Bobota area near Vukovar. This particular area remained under occupation until its peaceful reintegration in 1998.



The burial ceremony of individuals discovered in a mass grave within the Bobota area (Photo: Ministry of Croatian Veterans)

After subsequent identification, it was confirmed that the discovered remains belonged to civilians who were forcibly taken and subjected to torture by Serbian forces in July 1991 in Tenja near Osijek, and who were subsequently shot. Among the identified victims were five women. The youngest victim was 19 years old and the oldest was 70 years old. The victims included a married couple and two brothers.

The complexity of the process of locating missing persons is evident from the data provided by the Ministry of Croatian Veterans, which indicates that between 2017 and mid-2022, extensive field research was conducted at 279 locations, covering an area of 848,580 square meters. As a result of these efforts, two mass graves were uncovered.

In addition to the search for missing individuals and their burial sites, SOA collaborates with other competent authorities of the Republic of Croatia to gather information on the circumstances surrounding the commission of war crimes, which is then reported to the appropriate authorities.

In Croatia's southeastern neighbourhood, progress in addressing unresolved political and security issues has been stagnant

Croatia's southeastern neighbourhood, also referred to as the Western Balkans in EU documents, remains characterized by a lack of progress in stabilization and reform processes, with numerous unresolved interstate and inter-ethnic issues. The consequences of the wars in the 1990s continue to impact interethnic relations, creating ongoing challenges.

This region holds immense importance for the Republic of Croatia due to the fact that most security challenges in this area have direct implications for the national security of the Republic of Croatia itself. Moreover, the Republic of Croatia has substantial social, economic, trade, and transport connections and interests in this region. Additionally, a significant number of Croats reside in the southeastern neighbourhood of Croatia, either as a constituent nation or as part of a national minority. The Republic of Croatia holds a strong interest in establishing stability, prosperity, the rule of law, democratic standards, and Euro-Atlantic values in the region bordering its eastern borders, both due to its national interests and its entry into the Schengen area.

The European integration processes in the Western Balkans have experienced stagnation, with certain countries falling behind or failing to implement necessary reforms. Regional stability is primarily impacted by disputes between national communities, both within and between states, for instance, disagreements over the internal organization and functioning of Bosnia and Herzegovina (BiH), as well as the issue of regulating relations between Kosovo and Serbia.

Unfavourable economic, social, and political conditions within the region contribute to the strengthening of radical views, nationalism, extremism, and the emigration of individuals from Western Balkan countries to Western Europe.

Specifically, Bosnia and Herzegovina, which shares the longest border with the Republic of Croatia and where Croats are one of the three constituent peoples, continues to grapple with internal political instability. This instability can be attributed to the differing positions of the dominant political factions representing the three constituent peoples concerning the fundamental principles outlined in the Dayton Peace Treaty and the Constitution of Bosnia and Herzegovina, as well as the issue of further centralization of the state. The Dayton Peace Agreement defines the basic principles of a unified BiH, comprising two entities (the Republika Srpska and the Federation of BiH) and three equal, constitutive peoples (Bosniaks, Serbs, and Croats), often expressed as the formula 1:2:3.

The fundamental issue of controversy in 2022 revolved around the principle of constitutivity and the equal status of each of the three peoples in the institutions of BiH, regardless of their respective population sizes. The Croats in BiH, being the smallest of the three peoples, advocate for the preservation of the principle of constitutivity and a decentralized state system. They argue that this guarantees their political equality with the other two nations. On the other hand, Bosniak national parties express dissatisfaction with this principle, as they argue that Bosniaks, constituting approximately 50% of the population according to the 2013 census, should be proportionally represented in the representative and executive bodies of BiH. Political parties in Bosnia and Herzegovina (BiH) that do not align with a specific national identity (often-referred to as civil parties, mainly concentrated in majority Bosniak areas) advocate for the abolition of the constitutivity principle. They advocate for representative and executive bodies to be filled without consideration of ethnic factors. Along with a diminishing or eliminating the constitutivity principle, Bosniak and civil political parties support a greater centralization of power in BiH.

On the other hand, the Serbs in BiH are primarily focused on preserving and using the political autonomy of the Republika Srpska (RS) entity. They seek to regain jurisdiction that the entities had previously transferred (voluntarily or under international pressure) to the state institutions and central authorities of BiH.

The achievement of equal status for the peoples of BiH depends on the electoral rules governing the election of representatives for each of the three peoples. Consequently, the issue of the electoral law, particularly during the 2022 election year, was identified as crucial for the further implementation of the provisions outlined in the BiH Constitution and the principles of the Dayton Peace Agreement. The current electoral law in Bosnia and Herzegovina (BiH) faces challenges due to rulings from the Constitutional Court of BiH and the European Court of Human Rights (ECHR), which have deemed certain provisions unconstitutional and discriminatory. The dissatisfaction with the law extends to the Croat population as it allows for "overvoting of the Croats", meaning voters from other peoples can elect representatives for Croats. The implementation of court judgments regarding the electoral law is one of the requirements set by the European Union (EU) for BiH to be granted candidate status for EU membership.

Negotiations among the main political parties in BiH before the elections were unsuccessful, resulting in no changes being made to the electoral law. As a result, the judgments from the Constitutional Court of BiH in the Ljubić case and the ECHR in the Sejdić-Finci case were not implemented, and the general elections in October 2022 in BiH proceeded under the existing election rules.

An attempt by the High Representative to impose certain changes to the electoral law in July 2022 sparked organized protests in Sarajevo, involving prominent figures from Bosniak and so called "civil" political parties. The protests against the proposed changes to the electoral law were accompanied by media pressure on the High Representative, and there were numerous instances of violent threats against him on social media platforms. In response to the situation, the High Representative decided to postpone the implementation of the proposed changes until after the general elections in October 2022. Following the elections, the High Representative made several decisions aimed at resolving the deadlock in the formation of the Government in the Federation of BiH.

The diverse perspectives on the electoral process rules continue to generate tensions in the political, public, and media spheres of BiH.

Diminishing the constitutionally guaranteed equality of the three peoples in BiH goes against the established constitutional order outlined in the Dayton Peace Agreement. That could potentially further destabilize BiH, while also negatively impacting inter-ethnic relations, the multi-ethnic nature of the country, and the democratic legitimacy of its political system. Eliminating the constitutional status of Croats in Bosnia and Herzegovina would undermine their ability to have an equal say in shaping the country's social, economic, foreign policy, and Euro-Atlantic development.

Given the complex political and social circumstances, the presence of international forces and the activities of the High Representative continue to play a crucial role in maintaining stability and facilitating peaceful resolutions to disputes in BiH. However, the attitudes of the international community towards BiH are also influenced by geopolitical factors, resulting in a lack of international consensus on certain issues related to the country's future. For instance, Russia has not participated in the Steering Board of the Peace Implementation Council since July 2021, as it believes that the current High Representative was not elected in accordance with the prescribed procedure. Additionally, other non-European and non-Western state actors are increasingly paying attention to the situation in BiH.

Internal political turmoil has hindered the progress of BiH towards Euro-Atlantic integration. While Croatian, Bosniak, and so-called civil parties generally support Bosnia and Herzegovina's accession to the EU and NATO, Serbian parties oppose the country's approach to NATO, and some maintain connections with Russian political actors.

Serbia strives to balance its international relations between the EU, Russia, and China. As a result, during the vote in the UN General Assembly, Serbia condemned the Russian invasion of Ukraine and the annexation of Ukrainian provinces but did not impose any sanctions against Russia like other EU accession countries.

Serbian society also differs significantly from European society due to its strong pro-Russian sentiment, which is prevalent in Serbian politics, media, and among the general public. Following the invasion of Ukraine, Serbia witnessed a significant rise in pro-Russian protests and public expressions of support for Russian politics. These sentiments were observed in various settings, including sports competitions and statements made by public figures. In 2022, public opinion surveys conducted in Serbia revealed that over 80% of the surveyed Serbian citizens were opposed to imposing sanctions on Russia. Moreover, more than 66% of respondents believed that NATO was responsible for the war in Ukraine. Over half of the participants expressed their opposition to Serbia joining the European Union.



„Ukraine attacked Russia!“ - the front page of a daily newspaper in Serbia, dated February 22, 2022, just two days prior to the Russian invasion of Ukraine

Serbia took advantage of the regional instability to divert attention away from unresolved Serbian domestic and foreign policy issues, such as the non-imposition of sanctions against Russia. To serve its own interests, Serbia deliberately raised and escalated certain disputes with neighbouring countries, thereby destabilizing regional and bilateral relations. This approach involved a combination of political and media pressure, as well as the use of the security and judicial systems, which still remain influenced by politics within Serbia.

The exploitation of Serbia's judicial system for foreign policy objectives is evident in the indictment of Croatian Army pilots and commanders for alleged war crimes in Bosnia and Herzegovina in 1995. These charges were brought about following public announcements by the political leadership of Serbia. Such actions by Serbia serve as a means to exert pressure on the Republic of Croatia and divert attention away from Serbia's failure to implement reforms required for EU accession.

While Serbia claimed to be improving relations with the Republic of Croatia and appointed a representative from the Croatian national minority to participate in the executive power of Serbia, political officials and the majority of Serbian media continued to defame Croatia. They systematically portrayed Croatia as a successor to the Quisling NDH (Independent State of Croatia) regime from World War II and placed a narrative challenging the legitimacy and legality of liberation operations during the Homeland War, with a particular focus on the military-police operation Storm in August 1995.



Headline on the front page of a daily newspaper in Serbia: "Croatia prepares retaliation: Croatia hinders Serbia's EU path because of its criminals"

Serbia continues to promote the concept of the "Serbian world", which seeks to expand Serbian political, economic, cultural-religious, and other forms of influence in neighbouring countries where a significant Serbian population resides. The primary focus of this concept includes Montenegro, Bosnia and Herzegovina, Kosovo, and North Macedonia. However, because of the resemblance between the "Serbian world" and the "Russian world" concept, and following the Russian aggression in Ukraine, Serbian political elites have toned down their public references to this term.

Given the historical experience with the Greater Serbian aspirations that emerged during the conflicts of the 1990s and the emphasis on the idea of the "Serbian world", the Open Balkans Initiative raises caution among other countries in the region.

Progress in Serbian-Albanian relations and negotiations concerning the status of Kosovo in 2022 has been limited, accompanied by occasional incidents and tensions that contribute to regional instability. These tensions are often accompanied by an intense media campaign and occasional warlike rhetoric from Serbian political officials and media outlets associated with them.

The Kosovo government insists on changing the dynamics between Kosovo and Serbia, primarily by implementing reciprocity measures toward Serbia. The tensions between Belgrade and Pristina have not yet resulted in a significant disruption of the security situation, although security incidents, particularly in northern Kosovo, remain possible. The ongoing crackdown on organized crime by the Kosovo police continues to present a potential source of increased tensions.

Even in 2022, Montenegrin society remained deeply divided into two currents: a patriotic pro-Western current and a pro-Serbian (and pro-Russian) current. This social division reflected in the unstable political conditions, leading to the collapse of the previous government. The relationship between Montenegro and the Serbian Orthodox Church within Montenegro stands as a crucial social and political issue that divides Montenegrin society, calling into question Montenegrin national identity, state sovereignty, and the direction of foreign policy.

In the context of the war in Ukraine and economic challenges, non-Western actors have found an opportunity to exert influence in the Western Balkans region. These actors seek to exploit the instability and underdeveloped state and social institutions in Western Balkan countries to strengthen their "soft

power", promote their own interests and projects, and hinder the Euro-Atlantic perspective of Western Balkan nations in some instances.

Russia, primarily through Serbia and Republika Srpska in Bosnia and Herzegovina, attempts to spread its influence in the Western Balkans using unconventional methods. For instance, Night Wolves clubs, modelled after the Russian Night Wolves motorcycle group closely associated with the Kremlin and President Putin, have emerged in the Western Balkans. The Night Wolves from Russia have been subject to EU sanctions since July 21, 2022, and have been banned from entering EU member states due to their dissemination of Russian propaganda and involvement in anti-Ukrainian campaigns. The Night Wolves frequently participate in protests that support Serbia and Russia in Serbia, Montenegro, and Republika Srpska in Bosnia and Herzegovina. Russia also tries to maintain its influence on media propaganda in the Western Balkans region, where they promote their narrative and encourage conflicts, particularly between Serbia and Kosovo.

An online media platform called RT Balkan, funded by the Russian state budget, has been operational in Serbia since November 2022. Previously known as Russia Today, RT is banned from broadcasting in the European Union since March 2022. The newly launched RT Balkan follows the narratives of Russian Sputnik Serbia, aiming to affirm Serbia's pro-Russian political stance and foster a strong anti-Western sentiment. It predominantly focuses on topics related to Russia, employing conventional Russian narratives that glorify Russian power in the military, cyber, and financial field.

Organized crime remains pervasive in the Western Balkan countries and maintains connections with criminal groups in other parts of Europe, as well as drug cartels in South America. It has deeply infiltrated social, economic, security, police, and political structures in certain Western Balkan states, making it highly resilient and adaptable. "Serbo-Montenegrin" criminal groups have engaged in ongoing confrontations worldwide for years.

In certain Western Balkan countries, organized groups of radicalized Salafi jihadists continue to operate. These groups reject official Islamic communities and the democratic order of their home countries. They endorse violent and terrorist methods to achieve their objectives and promote hatred toward "infidels", which includes Muslims who do not adhere to their interpretation of Islam. The presence of returning foreign fighters and their families who had joined terrorist organizations in Syria and Iraq, along with the release of radicalized Salafis and preachers who were previously imprisoned for terrorism, could further radicalize members of these groups.

Additionally, the migrant routes used to enter the Western Balkan countries continue to facilitate the illegal movement of a significant number of migrants from one country to another, exacerbating social and security challenges in the region.

The European environment generates numerous security challenges

Within the European Union, there are unresolved crisis hotspots spanning a large geographical area along the southern and eastern borders. The Russian invasion of Ukraine, situated at the EU's very borders, initiated the largest conventional war of the 21st century, resulting in millions of Ukrainian refugees and strategic implications for European energy security and the economy.

Relations between the EU and China are characterized by substantial trade ties but also by systemic rivalry in terms of societal-political values and organization. China has been promoting its model of government as an alternative to liberal democracy.

The Middle East region continues to grapple primarily with conflicts in Syria and Yemen, and with the interests of regional powers in those conflicts, as well as the Iranian nuclear program. Efforts to enhance cooperation between Israel and the Arab Gulf states, also advocated by the US, have continued, while Iran strengthens its ties with Russia. China's efforts to enhance its political influence in the Middle East are becoming increasingly apparent.

The Central and North Africa regions, as well as the Middle East and Central Asia, face a multitude of challenges that contribute to security instability. These include local and regional conflicts, ongoing political crises, unresolved religious and inter-ethnic tensions, worsening economic conditions, the presence of extremism and terrorism, transnational criminal networks, demographic pressures, and a large influx of refugees and migrants. The worsening political-security and economic situation in these regions continues to pose numerous security challenges not only for neighbouring areas but also for Europe.

Regional actors remain involved in conflicts in countries such as Syria, Libya, and Yemen, while third-party countries seek to advance their interests by intervening in internal political processes in North and Central African nations, further exacerbating long-term instability.

The withdrawal of NATO forces from Afghanistan and the subsequent return of the Taliban to power in August 2021 have allowed for the establishment of a "hardline" Islamist government, increasing the risk of terrorist groups gaining strength in Afghanistan and fostering Islamic extremism in Central Asian countries. This, in turn, can negatively impact Europe through increased migration pressures, exploitation of migrant routes by terrorists, radicalization of certain moderate Salafis within Europe, and a rise in the number of terrorist attacks.

The withdrawal has been utilized by global jihadist propaganda to promote a narrative of Islam's triumph over the West, potentially inspiring radical individuals to carry out new acts of terrorism. The release of thousands of terrorists by the Taliban has led to an increase in ISIL attacks within Afghanistan. Over the long term, the new situation in Afghanistan may contribute to the resurgence and growth of Al Qaeda's global influence.

Although the situation in Syria and Libya, countries with long-standing armed conflicts, is currently stable with no major military operations, their political and social conditions remain highly fragile, marked by societal divisions and complicated by the interests and presence of armed forces, including military and paramilitary groups from external countries.

Sub-Saharan Africa continues to have active crisis hotspots and terrorist groups. Among the active conflicts in 2022, the civil war in Ethiopia between the central government and rebels in the Tigray province stood out, with the additional involvement of neighbouring Eritrea on the side of the central government. These conflicts further complicate the social conditions and economic prospects in this region.

Despite the Ukrainian war being a military priority for the Russian private paramilitary organization Wagner and its owner Yevgeny Prigozhin, the Wagner network, alongside official Russian diplomatic activities, aims to maintain and expand Russian influence in Africa. Their primary targets are unstable sub-Saharan and Central African countries, such as Mali and the Central African Republic, known for their abundant natural resources, which they aim to exploit under favourable conditions.



Members of the private Russian military company Wagner in Syria

Economic difficulties caused by the COVID-19 pandemic continue to affect all countries, particularly those in underdeveloped regions outside Europe, with the Russian invasion of Ukraine exacerbating their economic stability and development challenges due to inflation, energy insecurity, and disruptions in food supplies from Ukraine.

Organized crime is characterized by cross-border activity, adaptability and inter-group confrontations

The prominent "Serbian-Montenegrin" criminal organizations, primarily involved in smuggling and drug trade, continue to dominate in Southeastern Europe criminal scene. These groups, also known as the Balkan drug cartel, have increasingly established connections with South American drug cartels. They procure cocaine and transport it, predominantly by sea, to Western and Southeastern Europe, where they have established branches. They are known for their adaptability and brutality in armed confrontations, which have even spread to the territory of the European Union, including the Republic of Croatia.

In recent years, there have been numerous instances of violent clashes between "Serbian-Montenegrin" organized criminal groups, resulting in the deaths of many of their members worldwide. One such liquidation occurred in August 2022 within the territory of the Republic of Croatia. SOA has consistently reported on the longstanding risks of these criminal conflicts spilling over into the Republic of Croatia's territory.

Law enforcement and judicial actions against members of these organized criminal groups have continued in neighbouring countries. These groups have connections to state and police structures, as well as fan groups, which became evident during the arrest of leaders and members of a major organized criminal group in Serbia in 2021. This group had links to high-ranking political and security structures, and not only its members but also police officers and officials were arrested on suspicion of supporting them.

In 2021, a joint international operation coordinated by EUROPOL and involving police forces from Spain, Croatia, Serbia, Germany, Slovenia, Bosnia and Herzegovina, the USA, and Colombia was conducted. This operation successfully exposed an international criminal group that was planning to smuggle significant quantities of cocaine from South America to Europe. On March 10, 2021, a seizure of 1,250 kg of cocaine took place in Spain, and during the handover of the cocaine, 13 members of the criminal group were apprehended. As a result of the entire operation, criminal charges were brought against 61 members of the so-called Balkan drug cartel.

In addition to the "Serbo-Montenegrin" organized criminal groups, there are also active "Albanian" organized criminal groups that have expanded their operations in Western Europe, particularly in drug smuggling.

Within the Republic of Croatia, criminal groups and individuals continue to collaborate with these regional criminal groups. This collaboration primarily involves providing logistical support to criminal group members who seek refuge in the territory of Croatia to evade prosecution and retaliation from rival groups. Additionally, domestic criminal groups purchase narcotics from these regional groups. Occasionally, members of these criminal associations utilize forged Croatian identity documents. Furthermore, these criminal groups cooperate in money laundering activities by investing in legal projects within the Republic of Croatia.

There is an ongoing interest among criminal groups in smuggling migrants and goods, including weapons, through the territory of Croatia and into Western Europe.

Illegal migration poses a long-term social and security challenge

The flow of illegal migration along all Mediterranean routes remains constant, with the intensity of specific routes depending on various factors such as on-the-ground situations, changes in migration policies of countries along the route, weather conditions, and the presence of smuggling networks.

While the migration flow on Mediterranean routes has been steadily decreasing since 2017, an increase has been observed since 2021. In 2022, there was a recorded total of approximately 330,000 illegal border crossings at the external borders of the European Union (EU). This figure represents the highest number of crossings since 2016 and marks a 64% increase compared to 2021. Nearly 45% of these migrants entered the EU by taking the Balkan route. According to data from Frontex, around 146,000 illegal migrants entered the EU via the Balkan route in 2022.

Serbia continues to be a key location along the Balkan route due to its geographical position, transport infrastructure, and its lenient visa policy towards several countries from which migrants originate.

Starting from 2021, the migrant route through Bosnia and Herzegovina to the Republic of Croatia lost its prominence, and the majority of illegal migration towards Western Europe shifted to the route from Serbia through Romania and Hungary. The majority of migrants on the Balkan route are still predominantly Afghans and Syrians, with a notable number coming from African countries. Economic migrants make up the majority of these individuals, while the proportion of actual refugees fleeing conflict-affected areas is relatively small.

Following the Russian invasion of Ukraine, there was an increase in the number of Russian citizens entering the Republic of Croatia, particularly those of Chechen origin. Many of these individuals arrive in Bosnia and Herzegovina by plane as tourists, taking advantage of the visa-free entry, and then proceed to the Croatian border to seek international protection within the EU.

However, for the majority of migrants heading towards Western Europe, the Republic of Croatia serves as a transit country rather than a final destination. A considerable number of illegal migrants exploit the international protection system by filing requests in the Republic of Croatia with the intention of staying there temporarily, only to leave before a decision is made and continue their journey to Western Europe.

This transit of migrants through Croatia carries various security risks, including the strengthening of smuggling networks, the potential infiltration of radical individuals and returning fighters among migrants, self-radicalization of dissatisfied migrants, instances of violent group border breaches, and the spread of radical and extreme ideologies within the temporary locations or transit countries of the migrants.

The movement of migrants towards EU countries will be significantly influenced by the medium-term effects of the coronavirus pandemic, the ensuing economic crisis, and the repercussions of Russia's invasion of Ukraine. The invasion has triggered a wave of refugees, resulting in over eight million refugees from Ukraine seeking shelter in EU member states. In the long term, factors such as climate change, water and food scarcity, economic and political instability, and local conflicts at critical points will intensify migrant movements.

The potential for migration from Asian and African countries is vast, indicating a likely increase in the influx of new migrants into the EU. Millions of people have already been internally displaced within and between countries in sub-Saharan Africa, which serves as a major source of migration to Europe. Additionally, any global crisis predominantly impacts poorer regions and countries.

Protecting national security requires strong international cooperation and the development of relationships with national institutions

In the modern world, security challenges and threats are not limited to national boundaries but possess international dimensions and effects. Consequently, security and intelligence agencies in democratic nations are placing increasing importance on ongoing and intensive international collaboration with allies and partners. This collaboration involves the exchange of data, warnings, assessments, experiences, and best practices. By engaging in such international cooperation, security and intelligence agencies can effectively safeguard common values and interests.

SOA has established extensive collaboration with numerous security and intelligence agencies, collaborating on a range of topics based on national interests, shared threats and challenges, and the specific circumstances and security capabilities of each participating country. SOA maintains significant security and intelligence cooperation with the security and intelligence agencies of NATO and EU member states.



In January 2023, SOA organized a seminar on security in Southeast Europe as part of the Intelligence College in Europe

As an active participant in the Euro-Atlantic integration, SOA is particularly committed to contributing to the security and intelligence bodies of the EU and NATO.

At the multilateral level, SOA also participates in multilateral platforms established on the basis of shared Euro-Atlantic values, which contribute to international security. An example of such a platform is the Counter Terrorism Group (CTG), which brings together the security services of EU member states and other Western European countries to collectively combat the terrorist threat to Europe.

While some platforms focus on operational security-intelligence cooperation, since 2020, the non-operational Intelligence College in Europe (ICE) platform has also been active. The ICE platform was launched on February 26, 2020, with the signing of the Letter of Intent in Zagreb. The Intelligence College

in Europe serves as a major initiative to promote increased transparency and openness within national security and intelligence communities towards the European and national public.

It serves as a platform for cultivating a shared European intelligence culture, facilitating dialogue among European intelligence communities, decision-makers, and the academic community. It encourages strategic thinking, knowledge sharing, and the exchange of perspectives on security and intelligence matters. The college launched academic programs, thematic seminars, and similar activities, with the aim of establishing connections between European intelligence communities and other stakeholders who influence security issues in Europe.

Members of the College are encouraged to promote the platform's activities at the national level, reaching out to the academic and professional communities. SOA signed cooperation agreements with the Faculty of Political Science on July 7, 2021, and with the Faculty of Humanities and Social Sciences University of Zagreb, on May 5, 2022.



Signing of the cooperation agreement between SOA and Faculty of Humanities and Social Sciences and the Faculty of Political Science of the University of Zagreb

SOA participates in various activities, conferences, and seminars, where it has the opportunity to present its contributions to national and international security. Typically, SOA's Director represents the organization in such events, given the nature of the Agency's work.

The Agency shares its findings and assessments with representatives from international and allied institutions, aiming to contribute to national security efforts.

SOA has initiated the process of establishing an international Centre of Excellence for OSINT

On June 21, 2022, the Government of the Republic of Croatia made the Decision for the preparation of the establishment of the Centre of Excellence for Open Source Intelligence (OSINT), which involves collecting, processing, and analyzing data from publicly available sources. OSINT is an intelligence discipline that involves collecting data from publicly available sources such as the press, electronic media, social networks, public reports and data from government institutions, scientific works, databases, and more.

The Republic of Croatia is the founder of the Centre, and the Croatian Government has entrusted SOA with the task of implementing all necessary actions to establish the Centre. The Centre will have international status, and its establishment will be finalized through the enactment of a special law.



Graphic solution of the logo of the Centre of Excellence for OSINT

The International Centre of Excellence for collection, processing, and analysis of data from open sources is SOA's response to the increasing volume of intelligence data generated from open sources and the growing need for European security and intelligence agencies to enhance their capacity for selecting, collecting, processing, and analyzing such data.

SOA intends to involve interested European civil, military, security, and intelligence agencies in the activities of the Centre. Consequently, the Centre will serve as a hub of expertise within the European intelligence community, fostering collaborative efforts to advance the OSINT discipline and strengthen the resilience and preparedness of security-intelligence agencies in handling vast amounts of publicly available data. The Centre will develop doctrines, standardized procedures, and methodological frameworks to optimize the use of open source data and promote joint interoperability among European security and intelligence agencies.

Excellence will be pursued by establishing strong connections between different sectors and agencies through the Centre, while fostering collaboration among practitioners, experts, scientists, and the private sector at both domestic and international levels. The Centre also plans to organize professional courses, seminars, conferences, and other activities aimed at strategically enhancing the collection, processing, and analysis of data from open sources.

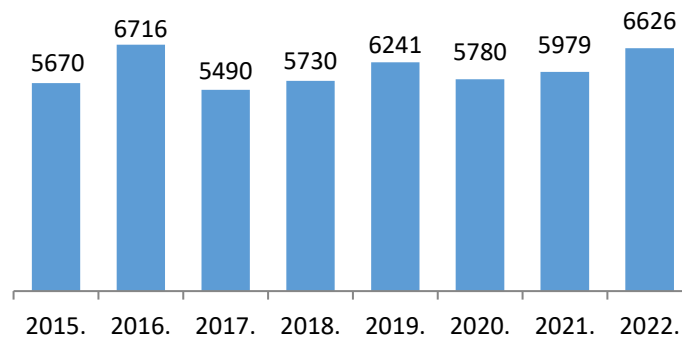
End-user reporting is a daily task at SOA

In accordance with legal provisions, SOA is required to report all significant data it gathers to the President of the Republic of Croatia, the Speaker of the Croatian Parliament, and the Prime Minister of the Republic of Croatia. To comply with this legal requirement, SOA sends the same information to all three addresses. Throughout 2022, a total of 686 analytical reports covering various topics were delivered. The purpose of these reports is to provide a foundation for decision-making concerning the protection of the national security and interests of the Republic of Croatia.

Being a part of the national and homeland security system, SOA maintains continuous cooperation with other relevant state bodies, supplying them with necessary data and assessments to support their tasks. Depending on the nature of the data, SOA shares information with entities such as the Ministry of Interior, Ministry of Foreign and European Affairs, State Attorney's Office of the Republic of Croatia, Croatian State Attorney's Office for the Suppression of Organised Crime and Corruption (USKOK), Ministry of Defence, Ministry of Economy and Sustainable Development, and others.

In 2022, SOA delivered approximately 9,800 different pieces of security intelligence to other state authorities, marking an increase of approximately 300 pieces compared to the previous year. This rise can be attributed, in part, to the renewed intensity of social activities, which brought about security implications, following the COVID-19 lockdowns due to epidemiological measures.

SOA performs security vetting procedures in the context of preemptive operations and enhancing information security (including basic security vetting and those with the purpose of granting access to classified data). In 2022, SOA performed a total of 6,626 security vetting procedures.



Number of security vetting procedures, by years

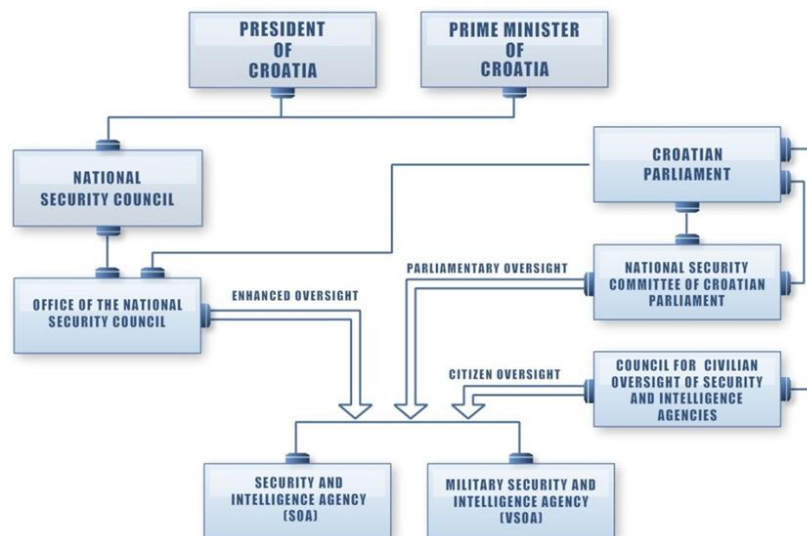
In 2022, the Agency conducted a total of 479 security vetting procedures concerning the movement and residence of protected individuals and facilities. This figure represents an increase of approximately 15% compared to the previous year, where 418 procedures were carried out in 2021. The number of security vetting procedures associated with individuals having direct access to protected individuals, facilities and premises remained consistent with the multi-year average.

Following a notable decline in 2020 due to border closures during the pandemic, the number of vetting procedures for resolving the status of foreigners and citizenship began to gradually recover in 2021, reaching a level similar to that before the pandemic. This trend continued in 2022. Therefore, the number of security vetting procedures conducted in 2021 amounted to 53,700, which increased to 62,986 in 2022. In contrast, the year 2020 witnessed a total of 18,825 procedures, whereas in 2019, the number reached 76,637. At the request of the Ministry of Interior, SOA participates in the procedures for international protection (asylum and subsidiary protection), delivering an opinion on the application. SOA approaches each case individually and conducts interviews with applicants for international protection.

The legality of the Agency's operations is ensured through the effective oversight of the Agency's work

SOA is entrusted with the challenging responsibility of collecting data to safeguard national security. In carrying out this duty, the Agency is granted the power, following the prescribed legal procedure, to employ covert data collection measures, which may temporarily restrict individual rights and freedoms. Given the sensitive and unique nature of the Agency's work, legal provisions regarding the transparency of governmental bodies may not always be applicable to the Agency.

Consequently, following the established practices in developed democratic nations, a three-tiered oversight system was implemented within the Republic of Croatia in order to ensure the legality of the Agency's operations. The parliamentary oversight is carried out by the Croatian Parliament through the Domestic Policy and National Security Committee, the expert oversight is carried out by the Office of the National Security Council, and the civilian oversight is carried out by the Council for the Civilian Oversight of the Security and Intelligence Activities. Civilian oversight is an indicator of the democratic development of Croatian society since such an instrument is a rarity, even among the developed Western democracies.



Organisational chart of the external oversight system

When we take into account the fact that the Supreme Court approves the covert measures undertaken by SOA that temporarily restrict some constitutional human rights and fundamental freedoms, we may then speak about the fourth tier, the so-called judicial oversight that is carried out by the highest judicial instance in the country.

The oversight bodies have at their disposal broad possibilities of establishing facts such as an insight into SOA's documents, interviews with the Director and other employees etc.

Based on the findings of the oversights conducted in 2022, no unlawful actions were discovered in the Agency's operations.

Besides ensuring the legality of the Agency's work, the Office of the National Security Council also provides expert oversight, overseeing all segments and organizational units of the Agency. This oversight

includes compliance with the Annual Guidelines for the Work of Security and Intelligence Agencies, which were adopted by the National Security Council, as well as the expert and professional aspects of the Agency's activities. Consequently, the reports on the oversight carried out by the Office of the National Security Council include an assessment of these components, including expert remarks and recommendations aimed at enhancing the Agency's work quality.

In addition to external oversight, SOA has a system of internal oversight in place. An organisational unit tasked with oversight over the constitutionality and legality of all organisational units and employees, data protection and counterintelligence protection operates within the Agency.

Working for SOA is far from an ordinary job

The effectiveness of the Agency's work primarily relies on the skills and competencies of its employees. While the Agency continuously monitors technological advancements and invests in solutions to enhance data collection, processing, and analysis capabilities, the human factor remains crucial for ensuring high-quality work in security and intelligence activities.

In compliance with legal provisions, SOA is obliged to protect the identity of its employees. This measure is necessary due to the specific nature of the tasks performed by the Agency's employees and the potential risks and dangers they face.

Information regarding the total number and structure of the Agency's employees is classified. The number of SOA employees is comparable to the number of employees in the security and intelligence agencies in the EU and NATO member states. The majority of SOA staff are civil servants, with a minor proportion of governmental employees.

Approximately 40% of the Agency's staff consists of women, who hold positions across all areas alongside their male counterparts.

The employees are engaged in various roles, including operational, analytical, technical and IT, financial, legal, personnel, administrative, security, and other domains. To effectively carry out these diverse tasks, the Agency requires an appropriate educational structure for its personnel. Consequently, SOA employs experts in economics, finance, computer science, law, criminology, political science, sociology, languages, electrical engineering and other fields. Over three-quarters of the Agency's employees hold advanced and higher degrees.

Recruitment and selection process at SOA

The Agency does not publicly advertise job vacancies, but it always provides an opportunity to apply for employment. More information about a career at SOA is available at the link www.soa.hr/hr/posao-u-soa-i/ and all interested candidates may apply by submitting their applications using the web forms at www.soa.hr/hr/posao-u-soa-i/prijavi-se/#prijava-body.

SOA is interested in attracting young and educated candidates who possess the knowledge, skills and motivation for modern security intelligence and who are interested in working to protect the national security of the Republic of Croatia.

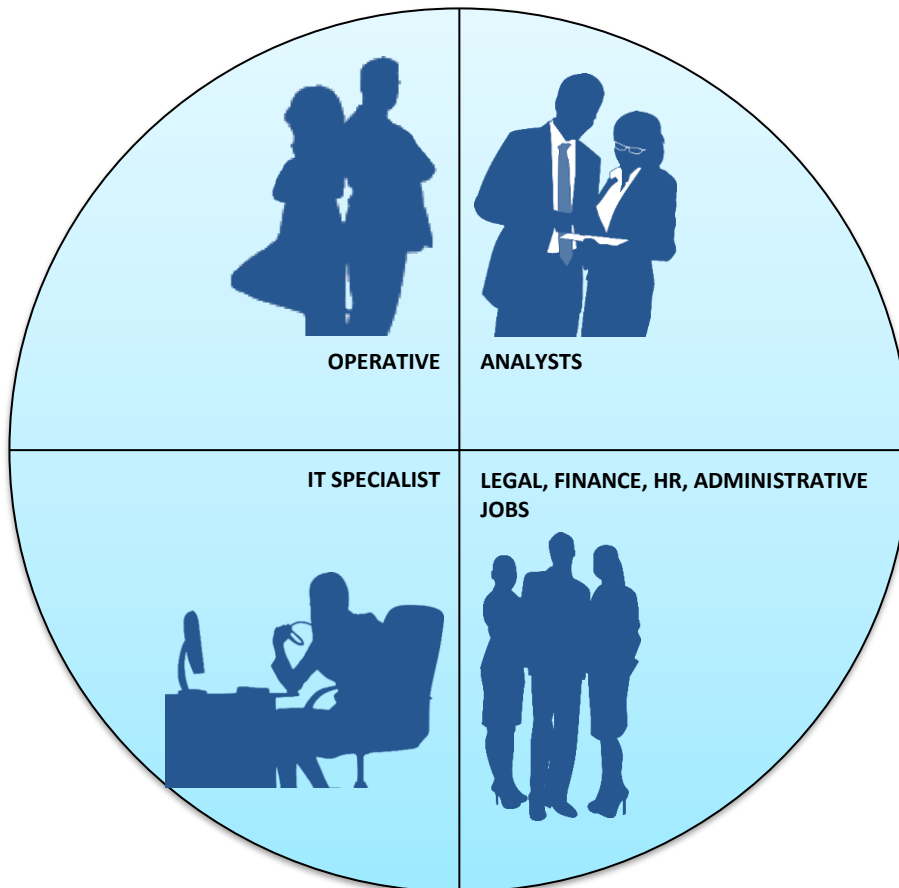
All submitted applications are considered by SOA. Candidates that meet the qualification requirements for specific work places are invited to participate in the selection process. All candidates whose competencies, knowledge and skills meet the Agency's requirements are invited to participate in the selection process, on equal terms.

The selection process includes security vetting, various knowledge and skills test, psychological assessment and medical assessment. Those candidates whose test results correspond most with the employee profile will be selected. The Agency ensures that the selection procedure for all candidates is carried out in a fair and impartial manner.

SOA invites all interested candidates who believe that their skills and competence can be a good fit for a career in security intelligence and are interested in working to safeguard the interests of the Republic of Croatia and its citizens, to apply for a position at the Agency.

The Agency also seeks individuals with a high school education to fulfil specific roles. Job profiles that require a high school diploma include operational and technical positions, as well as various administrative and support roles.

Among the Agency's workforce, four categories of jobs are predominantly represented: operatives who collect intelligence, analysts who are in charge of intelligence analysis and processing, IT and computing specialists, and individuals working in legal, financial, human resources, administrative, and related domains.



Major categories of workplaces at SOA

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