

With the restoration of Croatia's territorial integrity, few Croats sympathised with the idea of allowing Serbs to return. While officially the authorities were committed to the return of all refugees, in fact the attitude was negative, and Serb returns were obstructed. However, increased international pressure led to the adoption of a returns programme in June 1998. Despite lingering doubts about the will of the authorities to implement it, the international community welcomed the programme, which had been prepared with its co-operation. Other doubts about the programme included its uncertain legal status (formally it does not have the status of a law); that it does not deal sufficiently clearly with the need to provide for Serb returnees who do not own property, and have lost occupancy rights in former socially-owned property; and that, despite the repeal of laws which had encouraged the take-over of Serb property by Croats, comprehensive, non-discriminatory property legislation is lacking.

Since the programme's adoption the procedure for Serb refugees to gain Croatian documents has been simplified, and the numbers of Serbs returning have increased. They nevertheless remain low, and particular problems are being experienced by those whose property is either occupied by Croats or damaged. The housing commissions set up under the programme to enable the recovery of property by returnees have mostly not functioned satisfactorily. The local authorities were often slow to set them up; commission members have in some cases complained of a lack of resources or remuneration for their work; instructions from the central authorities have been insufficiently precise; and commissions have been reluctant to evict temporary Croat occupants of Serb homes.

Reconstruction of damaged properties is under way, and an estimated 80,000 out of 143,000 destroyed or damaged houses have already been restored. The government has drawn up a reconstruction programme, and has scheduled a reconstruction conference for December 1998. The conference has been repeatedly delayed, as the international community tied its participation to progress in implementing the returns programme and evidence that the reconstruction programme would not discriminate between Croat and Serb properties. The government estimates the cost of the reconstruction programme at some \$2.5 billion, and has expressed hopes of gaining substantial pledges of international assistance towards this at the conference, warning that the implementation of the returns programme will be slower without financial help. The international community has rejected this linkage, insisting that Croatia must fulfil its obligations without conditions. It is noticeable that when it has been considered to be in Croatia's strategic interest to carry out construction work, as in Croat-controlled areas of Bosnia, the funding has been there. It seems unlikely that significant international funding will be made available, and highly likely that the government will seek to present this as an excuse for slower returns.

Despite some progress, on-going problems underline concerns about a lack of will among the Croatian authorities to implement the returns programme, and that they will only do so under continued, intense international pressure. Croatia's desire for integration into western structures gives the international community some leverage, which should be used to ensure Croatia's compliance with international demands. With this in mind, ICG recommends the following:

- Rigorous monitoring of the returns programme's implementation should be maintained. Any suggestion of a lack of will on the part of officials should meet a firm response. The Croatian authorities must be constantly aware that their performance is being watched. Practical difficulties, such as the poor performance of housing commissions and necessary legal amendments or clarifications, should be identified and swiftly addressed. As the only international agency on the ground with sufficient human resources adequately to monitor the implementation process, a substantial OSCE presence should be maintained for some time to come.