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3 June 2009

FIFTY-SIXTH SESSION

ESDP and the future of the western Balkans
– reply to the annual report of the Council

REPORT

submitted on behalf of the Political Committee
by Pedro Agramunt Font de Mora, Rapporteur (Spain, Federated Group)

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Report transmitted to: the President of the Council of WEU; the President of the Council of the European Union; the WEU Secretary-General/EU High Representative for the Common Foreign and Security Policy; the President of the European Commission; the EU Commissioner for institutional relations and communication strategy; the Presidents/Speakers and the Chairmen of the Foreign Affairs, Defence and European Affairs Committees of the 39 national parliaments represented in the Assembly; the Presidents of the Parliamentary Assembly of the Council of Europe, the NATO Parliamentary Assembly, the OSCE Parliamentary Assembly, the Baltic Assembly, the Nordic Council, the Parliamentary Assembly of the Black Sea Economic Cooperation, the CIS Parliamentary Assembly; the President of the European Parliament; the Secretaries General of the Parliamentary Assemblies of the Council of Europe, NATO and the OSCE.

*ESDP and the future of the western Balkans
– reply to the annual report of the Council*

REPORT¹

*submitted on behalf of the Political Committee
by Pedro Agramunt Font de Mora, Rapporteur (Spain, Federated Group)*

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on ESDP and the future of the western Balkans

AMENDMENTS

MEMBERS OF THE COMMITTEE

¹ Adopted by the Committee on 7 May 2009.

RECOMMENDATION 838²

on ESDP and the future of the western Balkans – reply to the annual report of the Council

The Assembly,

- (i) Reaffirming its commitment to peace and stability in that region;
- (ii) Aware of the western Balkans' turbulent history which today still leaves a deep impression on the attitudes of the region's peoples and governments;
- (iii) Emphasising the invaluable role that the ESDP has played in the region since 2003, particularly in achieving security and stability;
- (iv) Deeply concerned about the deteriorating political situation in Bosnia and Herzegovina, the fact that the two entities are still unable to reach agreement on a number of core issues vital to the country's survival and as regards the threats of secession emanating from Republika Srpska's political leaders;
- (v) Welcoming the progress, albeit slow, being made through the implementation of reforms proposed by the Peace Implementation Council (PIC) in Bosnia and Herzegovina, but concerned that there is still no movement on important reforms such as those in the police sector;
- (vi) Noting that there remains an urgent need to revise Bosnia and Herzegovina's constitution in order to create viable state structures and set the country on a clear course towards European and Euro-Atlantic integration;
- (vii) Concerned that demands are being made on Serbia which it may not be capable of delivering and convinced that in order to encourage the pro-European policies of Serbia's President and Parliament, the EU should improve the visa regime for Serbia and assist the country in dealing with refugees from Kosovo on its territory;
- (viii) Welcoming Serbia's cooperation with the ICTY and the arrest in July 2008 of Radovan Karadzic, indicted for war crimes; supporting the activation of the Stabilisation and Association Agreement (SAA) between Serbia and the EU; expressing also the wish that ongoing cooperation between Serbia and EU member states will lead to the arrest of the remaining indicted war criminals, Ratko Mladic and Goran Hadžic;
- (ix) Welcoming the fact that EULEX Kosovo, the European Union's largest civilian ESDP mission to date, has reached full operational strength, concerned that the authorities of Serbia and Kosovo question EULEX's legality and efficiency, but noting with approval that Serbia is pursuing its objections by legal and democratic means;
- (x) Welcoming the UN Secretary-General's Report on the UN Interim Administration Mission to Kosovo in November 2008 which managed to secure UN Security Council approval for the launch of Operation EULEX Kosovo under the overall authority and within the status-neutral framework of the United Nations;
- (xi) Aware that a number of countries, including several EU member states, have still not recognised Kosovo as an independent state and that there is no immediate prospect of a common position on recognition of Kosovo being reached at EU level;
- (xii) Noting Serbia's bid to take its case forward to the UN International Court of Justice and have the legality of the circumstances in which Kosovo declared independence reviewed;
- (xiii) Congratulating Albania and Croatia on their membership of NATO;
- (xiv) Concerned that the UN-led talks between Greece and the former Yugoslav Republic of Macedonia regarding the latter's name have not resulted in a mutually acceptable solution, thus preventing the country's integration into Euro-Atlantic structures;

² Adopted by the Assembly on 3 June 2009 at the 3rd sitting.

- (xv) Concerned about the border dispute between Slovenia and Croatia which is hampering Croatia's progress towards EU membership;
- (xvi) Deeply concerned about the negative consequences of the global financial crisis on the wider western Balkan region and specifically the impact on the economic, political and social situation in all the countries concerned;
- (xvii) Concerned that the western Balkan states have not managed, to date, to bring about a reduction in the consistently high and rising levels of corruption omnipresent in the region;
- (xviii) Taking note of the growing reluctance on the part of a number of EU member states to countenance further EU enlargement, thus bringing about a redefinition of the EU's Balkans integration policy which so far has focused on EU accession for the countries of that region;
- (xix) Believing that the region must not be abandoned by the EU, as important political, economic and cultural ties have been achieved through its Balkan integration policy which has been in place for a considerable period,

RECOMMENDS THAT THE COUNCIL INVITE THE WEU NATIONS AS MEMBERS OF THE EUROPEAN UNION TO

1. Continue the valuable work being done by the OHR/EUSR and by Operation EUFOR Althea in Bosnia and Herzegovina until the country's political leaders adopt the objectives and meet the conditions proposed by the Peace Implementation Council (PIC) and until such time as the political situation in the country is deemed stable enough for necessary constitutional change to take place, to be followed, at a later stage, by transition of the OHR into an EUSR and reconfiguration of EUFOR Althea;
2. Intensify their work on establishing closer ties between Republika Srpska, the Federation of Bosnia and Herzegovina, and the central government so as to bring the country greater stability and security and reduce the fear of and pressure for the secession of Republika Srpska;
3. Urge the Serbian and Bosnia and Herzegovina authorities to continue their constructive cooperation with the ICTY and arrest the remaining indicted war criminals;
4. Remove the condition that currently prevents Serbia's SAA with the EU from going forward so that the European aspirations of that country and its people are not made hostage to the arrest of one man;
5. Urge the authorities of Serbia and Kosovo to allow EULEX Kosovo to execute its mandate unhindered;
6. Call on EULEX Kosovo to maintain neutrality over the status of Kosovo and act in accordance with Resolution 1244 and the six-point plan of the United Nations General Assembly;
7. Continue, at a time of financial difficulty to sustain the momentum of an integration policy for the western Balkans which to this day envisages promoting security and stability on Europe's doorstep;
8. Continue, at what is still a volatile period for a number of areas in the region, to maintain an ESDP presence that will increasingly focus on a monitoring, mentoring and advisory role;
9. Encourage Greece and the former Yugoslav Republic of Macedonia to find a mutually acceptable solution to the longstanding naming dispute in the framework of the UN-led process, and bring forward the latter's accession negotiations;
10. Encourage Slovenia and Croatia to find a mutually acceptable solution to their border dispute on the basis of the Enlargement Commissioner's recent recommendations in order to allow EU accession negotiations with Croatia to be resumed.

EXPLANATORY MEMORANDUM

submitted by Pedro Agramunt Font de Mora, Rapporteur (Spain, Federated Group)

I. Introduction and overview

1. The western Balkans has come a long way since the 1990s, a decade that witnessed the region's plunge into war after the fall of communism culminated in the collapse of the former Yugoslavia, the rise of a handful of new states and, indirectly, in the birth of the European Security and Defence Policy (ESDP). Today, a number of those states are in the process of realising their aspirations for western integration. Slovenia is already a member of the EU and NATO whilst Albania and Croatia, an EU candidate country along with the former Yugoslav Republic of Macedonia, are both NATO members. On 15 December 2008 Montenegro submitted its application for membership to the EU, whilst Albania presented its own membership bid on 28 April 2009.

2. In 2003, at the Thessaloniki summit in Greece, a strong commitment was made to stability in the region and the eventual integration of the western Balkan countries into Euro-Atlantic structures. Several years later, it is safe to say that the region will not experience tensions of the same magnitude as in the 1990s. However the western Balkans is still not stable. The West, perceiving developments there in terms of a "big bang theory", expected countries to move forward as a symbiotic group and come into the EU and NATO together. This has proved inaccurate and today a country-by-country, step-by-step approach is the one that prevails.

3. This report to the Assembly follows on from the report submitted by your Rapporteur to the fifty-fourth plenary session in June 2008.³ The present paper examines the future of the ESDP in the western Balkans, its significance for the region as a whole and the role it is able to play in the face of today's realities. With a number of operations already completed in the region and three ongoing – one of which is the largest civilian mission ever launched under the ESDP (EULEX Kosovo) – the EU has accumulated enough experience and expertise to be able to steer the western Balkans towards lasting stability and integration with Euro-Atlantic structures.

4. In the past year there have been a number of major regional developments, such as Kosovo's unilateral declaration of independence and the launch of EULEX. Whilst these have aimed to address and resolve the volatile and fragile elements in the western Balkans with a view to promoting greater stability, because of the complex nature of the region's politics and interethnic relations, they have also had adverse effects. For example, Kosovo's independence created considerable friction with Serbia and is still the principal bone of contention in the region today, whilst the launch of EULEX was not warmly welcomed in Kosovo, either by the government or the people. Furthermore, there has been no progress in the dispute between Greece and the former Yugoslav Republic of Macedonia about the name of the latter country and a land dispute between Slovenia and Croatia threatens to derail Croatia's progress towards EU accession.

5. The fact that Miroslav Lajčák, until recently High Representative for Bosnia and Herzegovina (BiH), stepped down in order to take up a ministerial position back home in Slovakia during what is possibly the worst political crisis in BiH since the war ended in 1995, has had negative consequences within BiH, and possibly the wider region – and on the image of the European Union there – and will certainly prove a setback to EU efforts to win the trust of BiH's political elite and citizenry among whom confidence-building has to date been at best a slow process. Meanwhile the leadership in the Republika Srpska has repeatedly called for the closure of the OHR and issued frequent threats to press on with secession from BiH.

6. In Serbia, the capture of indicted war criminal Radovan Karadzic brought the country a step closer towards unblocking Stability and Association Agreement with the EU. The Serbian Government was also allowed to take its case before the UN International Court of Justice and have

³ Document 2001: "2008: a decisive year for the western Balkans" submitted on behalf of the Political Committee by Pedro Agramunt Font de Mora, Chairman and Rapporteur, (Spain, Federated Group). www.assembly-weu.eu

the legality of the circumstances in which Kosovo declared independence reviewed. This was an important development, as it succeeded in moving the focus of the dispute away from the region, where it continues to create tension, and placing it under the aegis of the international court.

7. In July 2008 a presidential subcommittee of the European Security and Defence Assembly, led by Jean-Pierre Masseret, then President of the Assembly, and including the leaders of the Socialist and Federated Groups in the Assembly, MM Pangalos and Walter, and your Rapporteur, conducted a fact-finding mission to the region, visiting Belgrade, Pristina and Skopje (see Annex III). In April 2009 the Assembly held a colloquy in Berlin on civil-military cooperation in crisis management, the third session of which was devoted to the topic "Kosovo and EULEX". In April 2009 also your Rapporteur conducted a further fact-finding mission to the Balkans, and in particular to Belgrade and Sarajevo (see Annex IV). During the course of all the activities outlined above, talks and hearings were conducted with officials from the area, international community representatives, representatives of civilian society and the military, and experts from think tanks and NGOs. The substance of these talks, meetings and exchanges of ideas are reflected in this report.

II. Kosovo

8. Opinion is divided into two main camps as regards Kosovo's declaration of independence. On the one hand, it has the support of a large number of countries, including the United States, which have promoted and encouraged Kosovo's independence in an attempt to find a lasting solution for the Albanian minorities and the region. On the other, there is considerable opposition from a number of countries including Russia and five EU member states which have not recognised Kosovo's independence and have argued that the step it has taken could set a precedent in other areas around the globe where minorities aspire to independence.

9. What *is* clear is that Kosovo's status had to be resolved. 10 years on from the Balkan wars, the break-up of the former Yugoslavia and the surrounding events in the region at the time, the unresolved status of nearly two million Kosovo Albanians was clearly a thorny reminder of the atrocities committed in the 1990s. For a decade Kosovo remained in limbo under international community protection and the failure to resolve its status was beginning to have regional consequences. It posed a risk to stability, and to the credibility of the action being taken by the international community in the western Balkans. There was also the danger of the impression being given that a policy of containment was operating under its authority that masked the region's concerns and failed to address pressing problems. Such a perception would be highly counterproductive, especially for the EU and its aim of promoting stability in the neighbourhood along with western values and integration.

10. Your Rapporteur however is of the opinion that the way independence was declared, unilaterally, in February 2008, was a mistake and a violation of the UN Charter and UNSC Resolution 1244. This was something he had also highlighted in his previous report which warned that this kind of action would constitute a precedent for other separatist groups around the globe – something that in fact happened with the Russia-Georgia war of August 2008 and subsequent "independence" of South Ossetia and Abkhazia.

11. It has been argued extensively that the case of Kosovo cannot be compared or linked to other separatist causes within and outside Europe, inasmuch as over the past decade Kosovo was an enclave under international control and therefore in some sense in the process of gradually being groomed for independence. Whilst this may be true, it is certainly not the way separatists or other states seeking to resolve internal disputes will perceive it.

12. Kosovo has now set its sights on Euro-Atlantic integration. Though this is a positive step towards greater stability Kosovo is not a viable state and it is very far from achieving the unrealistic goals that it has set for itself. The country is being fully supported by the international community, its security situation remains a concern and corruption levels are extremely high. It would be more realistic for Kosovo to set goals which would lead to the reform of its new institutions and to the resolution of its political, economic and social problems.

13. Operation EULEX in Kosovo, launched on 16 February 2008, had as its main goal the promotion of local autonomy through monitoring and advice in all areas of rule of law. To date, a

number of complications have bedevilled its deployment. Until December 2008, the initial status of EULEX remained ambiguous in the absence of a UN mandate, as Russia was blocking agreement within the Security Council. This not only prevented full deployment of the mission but also raised a number of questions as to the eventual responsibilities of EULEX as well as its operational relationship with the UN (UNMIK) and NATO (KFOR) on the ground. Some argue that the EU's credibility was also harmed by its attempt to launch an ESDP mission in the absence of a go-ahead from the UN and a clear mandate.

14. The UN Security Council's unanimous decision to give EULEX the green light came on 26 November 2008, following a report published by UN Secretary-General Ban Ki-moon two days earlier⁴ outlining a reconfiguration of the relationship between UNMIK and EULEX. Under the new rules, EULEX would assume its responsibilities in the areas of policing, justice and customs under the overall authority of the UN and under a UN umbrella headed by the Secretary-General's Special Representative in Kosovo, Mr Lamberto Zannier, and in accordance with Resolution 1244 (1999). More importantly the report stressed that EULEX would operate within the status-neutral framework of the UN on the question of Kosovo.

15. The report also deals with the increasing difficulties faced by UNMIK in exercising its mandate owing to the conflict between Resolution 1244 (1999) and the Kosovo constitution post-independence which does not take UNMIK into account. This created concerns about the legality of UNMIK's status in the country and the executive authority competences of the Special Representative which could not be enforced in the new framework. The report of the Secretary General outlined a reconfiguration process⁵ for UNMIK, the most important aspects of which deal with the relationship between UNMIK and EULEX as described above.

16. The UN report also presented a six-point plan which took shape after dialogue and consultations between the UN (Special Representative), Belgrade and Pristina. The six areas covered by the plan are police, customs, justice, transportation and infrastructure, boundaries, and Serbian patrimony. Its principal conclusions cover promotion of community-based policing under international monitoring, applicable equally to all ethnic communities in Kosovo, equal access to justice and the rule of law for all Kosovo citizens, the appointment of judges and prosecutors reflecting the communities and territorial jurisdiction in which they serve, continued functioning of a single customs area with the appointment of international customs officers and continuing international protection for the Serbian Orthodox Church. The Secretary General also notes that many of these plans are at a very early stage and therefore discussions on most matters need to continue for them to take firmer shape.

17. The Secretary General's report, which achieved unanimity in the Security Council and initially secured Serbian approval for the deployment of EULEX can be regarded as a success in two senses: firstly for the EU, which was finally able to proceed with the deployment of EULEX, and secondly in terms of the contribution it makes to the region's political and ethnic stability. Serbia's agreement to the deployment, for example, also meant that the predominantly Serb areas in the north which were largely responsible for the outbreaks of violence witnessed in February 2008 following Kosovo's declaration of independence would now, in theory, support the plan and the international presence in Kosovo.

18. The report and its six-point plan were, however, immediately rejected by the Kosovo Government which opposed the status-neutral elements arguing that they were in direct contradiction to Kosovo's sovereignty and, by way of a response, issued its own four-point "plan" as follows:

- the Government of the Republic of Kosovo supports the establishment of EULEX in Kosovo as soon as possible and in line with the mandate envisioned in the declaration of independence, President Ahtisaari's document, the constitution of Kosovo, Kosovo's laws, the Joint Action of 4 February 2008 and the invitation offered to EULEX by Kosovo's President on 17 February 2008;

⁴ Report of the Secretary General on the United Nations Interim Administration Mission to Kosovo, S/2008/692, 24 November 2008. www.un.org

⁵ Effective as of 26 June 2008. www.un.org

- the institutions of the Republic of Kosovo reject entirely the six-point plan;
- the institutions of the Republic of Kosovo will cooperate closely with EULEX throughout the entire territory of Kosovo; and
- the institutions of the Republic of Kosovo will cooperate, as always, with the United States of America, the European Union and NATO.

19. The adoption by the United Nations of the Secretary General's report therefore also raises a number of concerns. Firstly it risks creating an environment where the relationship between the Kosovo authorities on the one hand and UNMIK and EULEX on the other is not a healthy one. Since the introduction of Dayton, a similar relationship has prevailed in BiH between the OHR (with its controversial executive powers) and the country's entities. As a result, political, defence and socioeconomic reforms in BiH have lagged behind for years.

20. The report's recommendations also raise questions regarding EULEX's powers and mandate which have now been significantly curtailed to allow the mission to fall under the UN umbrella. Initially the EULEX Joint Action⁶ foresaw that the Head of the Operation would receive orders from the EU's Political and Security Committee (PSC) and the High Representative. Under the UN plan however this is set to change significantly. Furthermore, it can be argued that by pressing on with EULEX, the EU has managed to distract attention from the divisions of opinion among its own membership about Kosovo's independence and instead portray a collective European resolve.

21. Lastly, another interesting question raised in a recent paper⁷ published by Bertelsmann Stiftung concerns what significance Kosovo's constitution will have if two simultaneous jurisdictions are created – that of UNMIK in the Serbian enclaves, predominantly in the north, and that of the constitution proper. Serbian politicians⁸ argue that UNMIK, firmly grounded in UNSC Resolution 1244, was an acceptable partner for both Belgrade and Pristina. EULEX on the other hand did not secure the necessary legal basis and lacks the capacity to monitor efficiently the work of Kosovo's institutions since too many competences in a number of sectors, such as the judiciary, police, customs, etc., had already been transferred to those institutions. Willingly or unwillingly therefore, EULEX is being dragged into a purely supporting role towards them. The Serbian Government has also repeatedly requested that a UN official be stationed in Belgrade⁹ to facilitate communication between Belgrade and EULEX.

22. Currently, Kosovo's politicians remain critical of the new mission and its mandate. Speaking at the Assembly's colloquy on the subject of civil-military cooperation in crisis management held in Berlin on 2 April, Mr Bujar Bukoshi, Deputy Chairman of the European Integration Committee of the Parliament of Kosovo said that "several months after its deployment, EULEX was seen as an ever-stumbling EU process. Kosovo expected EULEX to operate on its borders and its mission staff, judges, prosecutors, police officers etc. to carry out their work in the same conscientious, responsible and committed manner they would if they were working in their own countries, but the exact opposite happened. If EULEX was just there as an extension of UNMIK, if it just adopted the working methods of UNMIK, it would not help Kosovo or the EU".

23. Under the present circumstances, however, and bearing in mind the complex geopolitical situation in the region, the report of the Secretary General has been the best option to date. Not only did it offer a legitimate solution to deployment of the EU operation by securing Security Council unanimity, it also created a clear framework for EU-UN cooperation in Kosovo. Furthermore, no divisions of opinion within the Union have surfaced since EULEX's deployment. This of course does not signal an end to dissension over Kosovo's independence but does suggest that there is consensus about the imperative need for a strong, united and continued international presence in the region.

⁶ Council Joint Action 2008/124/CFSP, 4 February 2008. <http://ue.eu.int>

⁷ "Kosovo 2009: Uncertain Future", Johanna Deimel and Armando García Schmidt, Bertelsmann Stiftung, 2009/01. www.bertelsmann-stiftung.de

⁸ Rapporteur's meeting with Members of Parliament MM Aligrudic and Lazic, Belgrade, 5 April 2009.

⁹ Rapporteur's meeting with Mr Stefanovic, Head of the Serbian Foreign Minister's Office, Belgrade, 6 April 2009.

24. After a decade of international control, Kosovo has only had a few months in which to find its feet. Although it likes to call itself independent and regards itself as such, it is only now getting to grips with the ways in which to build and promote its independence with the help of the international community. It is therefore in the very earliest stages of the process, politically, economically and particularly in a security context, where it is far from autonomous or self-sufficient. Kosovo's security forces (as will be discussed further in the present report) still comprise personnel from the Kosovo Liberation Army (KLA) that fought against their Serb neighbours who have now become their compatriots. Deep-rooted divisions exist and thorough-going change, right down to the very foundations of the country's institutions, therefore is sorely needed. One such area, for example, is the Kosovo Security Forces where there is a need to pursue with the utmost vigour the policy of hiring and promoting Serbs. When your Rapporteur met Mr Kuci, Kosovo's Deputy Prime Minister, in July 2008 he was assured that positive discrimination was in fact being employed to encourage Serbs to join the security sector. However, their recruitment to this area continues to be a problem as they are unwilling, indeed afraid to join the ranks of those against whom they had been fighting so recently in the past.

25. EULEX went ahead on 9 December 2008 with the initiation of its operational phase. It announced in April 2009 that it had attained its full operational capacity of 1 900 international staff and 1 100 local staff, making it today the largest civilian ESDP operation undertaken by the EU. The principal objective of the mission is to monitor, mentor and advise the Kosovo authorities on all areas related to the rule of law. The immediate priorities will be to address pressing concerns regarding protection of minority communities, corruption and the fight against organised crime. The operation's initial mandate is for two years. However, its termination is anticipated only once the Kosovo authorities have accumulated enough experience and expertise to guarantee that all members of society benefit from the rule of law. In an attempt to alleviate continued concern over the operation's deployment and activities Natacha Andonovski-Carter, Deputy Head of EULEX's Policy Office, stated "EULEX is not there to replace UNMIK, it is not there to govern, or to rule, or to change laws".¹⁰

26. It is noteworthy that within the first month of its operation the EULEX mission successfully undertook a joint civil-military cooperation exercise with KFOR in which several hundred soldiers and police officers took part in a scenario that involved EULEX calling for KFOR assistance during a violent demonstration. Speaking at the colloquy in Berlin referred to above, Roy Reeve, the Deputy Head of the Operation, explained that EULEX also acted as a liaison point for other EU institutions and international organisations such as Interpol, Europol and Eurojust and worked to encourage Kosovo's future cooperation with those institutions. On the same occasion on 2 April 2009, General Schiebold reported that both operations worked together to maximise the efficiency of the international community's assistance to the country. While EULEX established its political credibility, KFOR assessed threats to personnel and property. Both were unanimous in stating that the principal authority for law enforcement, border control and public safety lay with Kosovo's institutions. If civil disturbances were anticipated, the priority response lay first with the Kosovo police, then with EULEX second and thirdly with KFOR.

27. Regarding NATO's KFOR operation, on 19 March 2009 the Spanish Government announced that all Spanish troops were to be withdrawn. Your Rapporteur believes this was a necessary move, especially since KFOR was made responsible in summer 2008 for setting up the Kosovo Security Force (KSF), a task mainly involving training and supervising multiethnic professional and civilian forces, and therefore a main aspect of institution building, in a country which Spain does not recognise. Nevertheless he does not agree with the way the withdrawal was made. This was sudden, unannounced and there was a lack of consultation, taking by surprise both the international community and the allied forces on the ground in Kosovo.

¹⁰ Speaking at the NATO Parliamentary Assembly Rose-Roth seminar in Sarajevo, 19-21 March 2009.

III. Serbia

28. Despite a high degree of concern prior to independence, Kosovo's transition from internationally monitored enclave within Serbia to new country was relatively smooth. Although significant protests¹¹ were witnessed in Belgrade and there were riots on the Serb-Kosovo border as well as in Mitrovica in the predominantly Serb part of northern Kosovo, they were diffused relatively quickly. This was partly because of the significant international military and civilian presence on the ground and partly because the EU made sure Serbia was not isolated at a difficult time but was instead promised integration when all the necessary criteria were met. In September and December 2008, Enlargement Commissioner Olli Rehn stressed that 2009 would be a crucial year for the western Balkans. He repeated European Commission President Barroso's words that if all progressed well, Serbia could achieve candidate status by the end of 2009.

29. It was this kind of attitude in Brussels and a handful of other European capitals in 2008 that more or less ensured a victory for the current pro-European government headed by President Boris Tadic and Premier Mirko Cvetkovic. Your Rapporteur pointed out in his earlier report (Document 2001) that following the independence of Kosovo, Serbia needed to focus on its future and attempt to quell as effectively as possible nationalist sentiment within political and civil society as this would endanger the country's stability and progress. The new government has been quite effective not only in keeping tempers in check in a period regarded as an ethnic and cultural crisis for the country but also in considerably advancing the country's EU integration aspirations.

30. Serbia's EU accession depends, however, on its cooperating closely with the International Criminal Tribunal for the Former Yugoslavia (ICTY). In the years following the handover to the court of former Yugoslav President Slobodan Milosevic, the country's relations with the ICTY have been strained. This has been in large part due to the internal divisions within the government, where there are opposing pro-western and nationalist camps, and the nature of the control exercised by the state over the police and the secret service which long hampered any serious attempt to hand over war crimes suspects Radovan Karadzic and Ratko Mladic to the ICTY.

31. Real progress began after the pro-European coalition government was formed in July 2008. Within two weeks Radovan Karadzic, former self-styled President of Republika Srpska and supreme commander of the Bosnian Serb Army, was arrested and transferred to the ICTY, some 13 years after his indictment. Here he faces charges of genocide, crimes against humanity and violation of the laws of war during the 1992-1995 conflict that included the Srebrenica massacre and the siege of Sarajevo.

32. The EU made clear once again in December 2008 that Serbia's accession depended on its continued cooperation with the war crimes tribunal. Former General Ratko Mladic remains at large and a recent poll among Serbs found two-thirds of them unwilling to provide information that might lead to his capture.¹² The Union and particularly the Netherlands have, however, sent clear signals to Belgrade that without the arrest of Ratko Mladic, there can be no progress in regard to the Stability and Association Agreement (SAA)¹³ (currently frozen) and Serbia's bid to join the EU will therefore come to nothing.

33. At the start of 2009 the Serbian Government announced it would go ahead within the year and put forward its candidacy for membership of the EU despite continued obstacles over its SAA. However, after lengthy talks with Brussels and with Enlargement Commissioner Olli Rehn,¹⁴ Belgrade decided to abandon efforts to submit an EU application bid and instead to step up the hunt for the last

¹¹ Similar protests, though on a much smaller scale, also occurred in February 2009 at the time of the first anniversary of Kosovo's declaration of independence.

¹² Strategic Marketing, Belgrade, January 2009.

¹³ The Interim Stability and Association Agreement (SAA) between the EU and Serbia was signed on 25 April 2008 in Luxembourg.

¹⁴ The Commissioner stated (on 10 February 2009) that the EU would decide whether to accept Serbia's application for candidate status on the basis of the country's progress and efficiency in implementing the SAA.

remaining indicted war criminals¹⁵ and increase cooperation with the intelligence agencies of a number of EU member states.

34. If Serbia is to move forward on the ICTY front and, more fundamentally, with its western integration aspirations, its leadership and people must continue to reconcile challenging divisions over the country's history and future. More than a year after Kosovo's independence it is evident that there is only one realistic path for Serbia to follow. And although EU membership will not come swiftly, an amelioration of the country's relations with the West will certainly also have a positive effect upon neighbouring Bosnia and Herzegovina (Republika Srpska) with which Serbia continues to preserve close and influential ties.

35. Although Serbia is cooperating in order to conform to Brussels' requests, it can also be argued that the EU is pursuing a risky path with Belgrade, for two main reasons. Firstly, a whole country's European aspirations and the "European future" of the western Balkans in fact are apparently pinned right now on the capture of one man. Secondly, after considerable hard work by both the EU and the Serbian Government, public opinion in Serbia continues to favour a pro-European course.¹⁶ If no way forward can be identified in the foreseeable future this enthusiasm could fall away sharply, giving way once more to nationalist sentiment. Not only would this derail the European process, it would also complicate relations with both Kosovo and Bosnia and Herzegovina.

36. If the Serbian Government cooperates with the West and the ICTY, if it shows willing to offer western intelligence agencies access and hence full transparency in the hunt for Ratko Mladic, then a favourable report by the ICTY's international prosecutor Serge Brammertz could provide sufficient evidence to Brussels and the Netherlands to keep the process on track.

37. An additional factor to consider, however, is the future of the ICTY itself. Its mandate ends this year and there is currently a request for a two-year extension until 2011. If the remaining indicted war criminals are not handed over to the court soon enough, their future in custody remains doubtful. This is a known factor, especially to the nationalist elements in the country with strong ties to the Serbian military branches. The inability of the authorities to locate and arrest Ratko Mladic may also be attributed to a lack of adequate cooperation between the state and the security services.

38. Clearing the way for the SAA and thereby allowing Serbia to submit its membership application would be a major hurdle surmounted, not just politically but also psychologically. It would place the country on its final, albeit long haul towards realising its current principal objectives and very likely give a fresh impetus to local political, institutional and economic reforms.

39. The road to success is not however a one-way street, the EU can and will block progress any time it sees fit, should the reform process flag. The challenges facing the country are major. To begin with, Belgrade's relations with its southern neighbour Kosovo are deadlocked. Talks and communication of any kind currently take place through the UN. Serbia will never recognise Kosovo but a solution needs to be found at least to ameliorate communication between the two countries in order to put down the initial markers for effective neighbourly relations.

40. In October 2008, following a vote in the UN General Assembly,¹⁷ Serbia was allowed to take its case forward to the UN's International Court of Justice and to have the legality of the circumstances in which Kosovo declared independence reviewed. The short- and long-term implications for both

¹⁵ The two remaining are Ratko Mladic and Goran Hadzic.

¹⁶ Gallup's Balkan Monitor for 2008 shows a slight falling off between 2006 and 2008 in Serbian public support for EU entry (down from 61% in favour to 58%). This can be attributed to what was generally perceived as a "bad year" for Serbia because of the Kosovo issue. Public support for EU integration is expected to recover in 2009. www.gallup.com

¹⁷ The 192-member UN General Assembly, on 8 October 2008 in a general vote, approved sending Serbia's case to the International Court of Justice. 77 states were in favour as opposed to six against and 74 abstentions. Cyprus, Greece, Romania, Slovakia and Spain voted in favour, but the 22 other members of the European Union, which have all recognised Kosovo, abstained in the vote. The United Kingdom voted not to refer the question to the Court, noting that 48 countries at that time (currently 55) had already recognised Kosovo. The United States also voted against referral.

countries are numerous. At first glance, the immediate consequences have been positive as the move has led to a reduction in regional tension and between the two neighbours by transferring the dispute away from the region under the supervision of an internationally recognised judicial organ. The French Ambassador to the United Nations, Jean-Maurice Ripert, has warned however that “this [move] does not help the necessary easing of tensions” as it merely puts them on hold until a decision is taken. The most important implications will undoubtedly surface once the Court gives its final verdict. In an article in *The Washington Times*, Serbian President Boris Tadic maintains that following the Court’s decision (which is unlikely to come in 2009) “the question of Kosovo’s future status could be revisited”.¹⁸ The reality is however that now that the independence and recognition process has begun¹⁹ it will be extremely unlikely, if not virtually impossible, for Kosovo to be “returned” to Serbia proper and the resultant situation could take a turn for the worse.

41. Political problems at home are also a factor to be considered. Although, since the election of Mr Tadic’s government, a number of key laws relating to European integration and reform of the judiciary are being pursued with renewed vigour, nationalism, in both political and social terms, is still prevalent. The primary goals of the nationalists are to divert the country away from its current “European course”, seek closer relations with Russia, support neighbouring Republika Srpska in seceding from Bosnia and Herzegovina and reclaim Kosovo. Such dire prospects may be far removed from current reality but there is a need to bear in mind that the political opposition in the country will continue its attempts to block reform and to undermine the government in order to enhance its own popularity which, already in the most recent elections, translated into significant electoral support.²⁰

42. Additionally, corruption is still at critical levels. In 2008, Transparency International placed Serbia in eighty-fifth place in its Corruption Perception Index (CPI)²¹ (the country in first place being the one with the lowest corruption levels) within a confidence range of 3.0-4.0 out of 10. In Transparency International’s 2007 report²² Serbia was placed in the second highest quintile of countries worldwide affected by bribery. Corruption has a destructive effect not only upon the country’s political and economic systems, but more importantly upon its people who bear the brunt of that crime, while the developing financial crisis adds to the frustration. Furthermore, it erodes external political and economic confidence in the country as it complicates the work of partner countries and the international community and deters foreign companies from making investments.

43. To conclude, following meetings with a number of government representatives and officials in Belgrade on 6 April 2009, it has become evident that Serbia’s primary goals are currently to stay the European integration course and monitor closely the court case at the ICTY. Serbia is today being kept on its path towards European integration by two main proponents, the international community (principally the EU) and the country’s pro-European government. If the internal problems currently faced by the latter, as described above, become overwhelming and there is a backwash of nationalist sentiment then things will also become very difficult for the EU in the country, as it will rapidly lose its foothold there and its credibility in the eyes of the public at large, and Serbia will very likely steer the Balkans back down the path of isolation once more.

IV. Bosnia and Herzegovina

44. The departure of the EUSR/OHR Miroslav Lajčák came at a very bad time for BiH and sent negative signals from Brussels to both the politicians and the people of BiH. As a result, calls for the closure of the Office of the High Representative (OHR) have become more frequent. Both the Prime Minister of BiH, Nikola Spiric, and the Minister for Transport and Telecommunications, Mr Ljubic, in a meeting in Sarajevo with your Rapporteur on 7 April 2009, expressed their concern over the OHR’s

¹⁸ “Tadic: A judicial approach to Kosovo”, *The Washington Times*, 17 February 2009.

www.washingtontimes.com

¹⁹ By 17 February 2009, the first anniversary of the independence of Kosovo, 55 countries had recognised it as an independent state.

²⁰ In the May 2008 elections the SRS Party won 29.5% of the vote whilst the present ruling coalition won a total of 38.4%.

²¹ Transparency International 2008 Corruption Perceptions Index. www.transparency.org

²² Report of the Transparency International Global Corruption Barometer 2007. www.transparency.org

“negative role” in the country and insisted the office should close in the immediate future. A similar view was expressed by the Political Director of the OHR, Mr Simosas, who pointed out that at times the OHR was an obstacle to political progress in BiH and a transition should therefore be effected once all the necessary objectives and conditions were met. The leader of the Bosniak SDA Party, Mr Tihic, however felt that without the OHR the country would be in danger of collapse as the necessary institutions to uphold it adequately on its own were not yet in place, while the situation would deteriorate as a result of the current global economic crisis. Shortly before leaving office Mr Lajčák observed that “the politicians representing Bosnia’s three nationalities do not regard putting Bosnia on a firm path to EU membership as a priority. Rather, all the squabbles that preoccupied them in the 1980s and early 1990s are being played out again”.²³

45. Meeting on 25 and 26 March 2008, the Steering Board of the Peace Implementation Council (PIC)²⁴ welcomed the progress and ongoing preparation for the transition from the OHR to a stronger EU Special Representative (EUSR) and a greater role subsequently for the EU in the country. It stressed however that the OHR would continue to carry out its mandate until the five objectives and two conditions (5+2) outlined by the PIC in February 2008 were fulfilled.²⁵ The PIC had already announced in 2006 that it wanted to close the OHR and henceforward rely on the EU, in the hope that this would give a boost to BiH’s drive towards western integration. The latest report by the International Crisis Group on BiH²⁶ however states: “left largely to themselves Bosnian politicians have become locked in a standstill, and some reforms have begun to unravel”.

46. The newly appointed OHR, Valentin Inzko, was approved by all 22 EU member states on the PIC and by the PIC itself. On the principal issue of contention for BiH politicians, the OHR’s Bonn powers, Inzko stated that they should stay as they were for the time being, but only be used as a last resort and after all other options had been tried.²⁷

47. At this particular period of time it is absolutely imperative for the OHR to remain open and to continue with its functions. The political reality in BiH proves that the OHR’s closure is still an unrealistic option. Calls within BiH’s political community for it to happen, and which naturally depict the OHR as an international “sheriff” with the power to exercise total control over local politics, and effectively the country, are simply disregarded. But the reality is that in the recent past the OHR has not used the Bonn powers to their full extent (for example to appoint or sack politicians and officials), knowing full well that to do so would produce results that would in fact be the opposite of those desired. The powers have been used however at a lower and much more surgical level for unblocking reforms which had stalled and resolving ethnic differences at a political level.²⁸

48. In the past year, the political situation in BiH has deteriorated significantly. The country’s complex political system has been put under further strain by the inability of politicians to reach consensus and therefore to promote and adopt the necessary reforms that would pave the way for equally important constitutional changes and greater independence. Furthermore, the increasingly hard line being taken by Republika Srpska and its Prime Minister, Milorad Dodik, who repeatedly threatens to hold a referendum on the secession of his entity, only to back down every time the international community applies more pressure, raises questions about the country’s future, its stability, the role of the international presence in the country and, in more extreme instances, the prospect even of renewed conflict. Indeed, the recent political antagonism between Dodik and the rival leader of the Bosniak Party for BiH, Haris Silajdzic, has been described as “war by other means”.

²³ “Bosnia’s irresponsible politicians drive auntie EU crazy”, article by Tony Barber, The Financial Times, 16 March 2009. www.ft.com

²⁴ Communique of the Steering Board of the Peace Implementation Council, issued following its meeting in Sarajevo on 25 and 26 March 2009.

²⁵ See Annex II.

²⁶ Bosnia’s Incomplete Transition: Between Dayton and Europe. International Crisis Group, 9 March 2009. www.crisisgroup.org

²⁷ In a statement given to the Austrian daily Der Standard on 13 March 2009.

²⁸ OSCE Head of Mission to BiH, Ambassador Garry D. Robbins meeting with the Rapporteur, 7 April 2009. Sarajevo, BiH.

49. Although, paradoxically, important reforms have been adopted (and are currently being put into practice, albeit at a very slow pace) in a number of sectors, principally the judiciary, taxation, energy and, more importantly, the intelligence services and defence – where BiH, with the aid of NATO, has managed to form one army, under a single federal chain of command, out of the three that fought one another in the 1990s – political and police reforms have stalled, with politicians often bickering over minute details instead of concentrating on the bigger picture: putting the country on a fast-track towards Euro-Atlantic integration.

50. Also, there is a very wide gap between the political elite of BiH and the population. Raffi Gregorian, Brcko Supervisor and Deputy High Representative,²⁹ has highlighted the wider society's clear disconnection from the political scene. A very large percentage of the population believe that politicians do not represent society's views, nor speak for people nor stand up for their demands. In addition, significant numbers of people do not know who represents them or their region in parliament. Though the reason for this is attributable largely to the aura of untrustworthiness politicians project as well as their almost serial inability to reach agreement, part of the blame must also be laid at the door of the complexity of Dayton and the political reality that emerged from the Accords. To this day, 14 years after their signature, these have not yet been translated into all three of BiH's official languages (Bosnian, Croatian and Serbian).

51. The Dayton Peace Accords are another problem that BiH has been struggling to deal with. Your Rapporteur in his previous report addressed this issue. It has become increasingly clear that BiH's constitution will need significant reform if it is to address unification of the country and the creation of individual institutions to meet the needs of all three ethnic groups. The constitutional situation remains extremely complicated: the existence of two entities, the Brcko district and 10 cantons within the Federation of BiH, each with its own regional government, is creating not only a political but also a logistical and bureaucratic nightmare. It is estimated that 60-65% of the Federation's budget is absorbed in administration costs.

52. A number of attempts to date to deal with these questions as part of a "package" have been blocked in parliament and step-by-step approaches are now being examined instead as a possible way forward. Kurt Bassuener of the Democratisation Policy Council³⁰ thinks that the EU has a particular window of opportunity open to it here to set wide-ranging guidelines for constitutional reform, focusing on those that will be readily understandable and acceptable to the population. Dayton did not manage to forge that "social link", but of course did what was necessary at the time to end the war. Sabine Freizer of the International Crisis Group stresses that the main political issue remains one of power. Who will become the main decision-maker in the country and therefore who will control important aspects of national policy such as the budget?

53. There is also a further underlying layer of issues within the country that need addressing. Corruption is a prime example and a region-wide hard reality of the western Balkans. In the battle against corruption, the question arises as to which should receive priority: fighting corruption or building up the institutions of state that will tackle the problem? If precedence is given to the former, there are no guarantees as to whether an adequate job can be done without the necessary institutions in place. If, however, the latter is allowed to take precedence, there is a risk that corruption will seep into the very institutions designed to fight it, thereby rendering the whole process ineffective from its inception. In BiH the institutions fighting corruption such as the State Investigation and Protection Agency (SIPA) and the Office of the Public Prosecutor are currently in their formative stages and full support should be given to them by the international community to ensure their healthy development and unobstructed functioning within the state.

54. Another example is the education sector where there are still large numbers of schools that segregate children from different ethnic backgrounds. This can only be described as a fine example of how the communities of BiH are being prevented from coming together and being reconciled with the past. This kind of separation sows the seeds of division among future generations.

²⁹ Speaking at the NATO Parliamentary Assembly Rose-Roth seminar in Sarajevo, 19-21 March 2009.

³⁰ Speaking at the NATO Parliamentary Assembly Rose-Roth seminar in Sarajevo, 19-21 March 2009.

EUFOR Althea

55. Despite the deteriorating political situation in BiH, international community representatives in the country are fairly confident that the security situation is stable and that there is no threat of immediate conflict. In March 2009, the Commander of the EUFOR Althea operation in the country, Major General Stefano Castagnotto, stated “we are very much aware of the tensions on the political level. However all reports that we have from the ground made us to conclude that the situation throughout BiH is calm and stable”. These conclusions have led to calls within the EU for the reconfiguration of operation EUFOR Althea as an observation and training mission and subsequent reduction of its numbers from the current 2 200 to 200 troops.³¹

56. Despite the calls for the mission’s reconfiguration, it was decided on 23 March at a joint meeting between NATO’s North Atlantic Council (NAC) and the EU Political and Security Committee (PSC) that no immediate decision should be made on EUFOR Althea and it would therefore continue to operate in its current form.

57. Bearing in mind the situation in BiH, this is precisely the recommendation your Rapporteur would have made. It would be unrealistic to begin reconfiguring a mission which is on the ground in order to maintain a safe and secure environment and turn it into a training mission at such a precarious moment. Firstly, this would divert attention within the mission from the real situation. Secondly there are important reforms currently being debated and implemented in BiH. These negotiations could give rise to unpredictable circumstances. The Althea Commander has given assurances that over-the-horizon forces would be available should tensions increase. However, the official reaction time of those forces is estimated at two weeks. Bearing in mind the numerous private security companies, veterans’ organisations and police forces that are active and the amounts and types of weapons they have at their disposal (for example: the Republika Srpska Interior Ministry stocks grenade launchers and several hundred submachine guns and squad automatic weapons were delivered to Republika Srpska in 2008, whilst there are estimated to be more police forces in the Federation of BiH),³² it is not difficult to imagine how rapidly a tense situation could turn into large-scale violence within that timeframe.

58. Operation Althea was already significantly scaled down from 7 000 to approximately 2 200 troops at the end of 2007. It is imperative, for the 5+2 objectives to be fulfilled, for the country to proceed and succeed with the reforms it is currently debating, and equally important for a greater degree of political calm to be restored before any similar changes are made to the international community’s presence in the country.

V. The “naming dispute” between the former Yugoslav Republic of Macedonia and Greece

59. A solution has yet to be found to the continuing dispute between the former Yugoslav Republic of Macedonia and Greece over the former’s official designation. This is a significant concern for the region since it risks derailing the EU’s strategy to bring stability to the former Yugoslav Republic of Macedonia and to the region.

60. Several rounds of discussions in both countries’ capitals in 2007 and 2008 between the two nations’ foreign ministries and the UN Special Envoy to the former Yugoslav Republic of Macedonia, Matthew Nimetz, failed to resolve the problem. As a result, the invitation to the former Yugoslav Republic of Macedonia to join NATO was blocked by Greece at the NATO Bucharest Summit in April 2008, whilst Albania and Croatia received their invitations and subsequently joined the Alliance in April 2009.

61. Your Rapporteur is of the opinion that good neighbourly relations between the two countries must prevail if a solution is to be found to this issue, and in order to set an example that can be adopted throughout the region. For this reason he deplores that the international airport in Skopje has been named after Alexander the Great, a clear provocation to Greece. He furthermore urges both

³¹ Bulletin Quotidien Europe, No.9861, 14 March 2009.

³² EU deterrent evaporates as fears mount in Bosnia. Report by Kurt Bassuener, Jane’s Defence Weekly, 11 March 2009.

countries to assess in a more positive and objective light the latest proposals put forward by the UN mediator, especially that for the use of the name “Republic of Northern Macedonia”. This is one of the most balanced proposals to date and therefore a significant step towards resolving the issue.

VI. The dispute between Croatia and Slovenia

62. Since their independence in 1991, Croatia and Slovenia have continued to dispute the Bay of Piran in the Gulf of Trieste where their maritime borders join those of Italy. Despite the fact that these border issues were unresolved when Slovenia joined the EU in 2004, Croatia’s EU membership today appears to depend on Slovenia unblocking the opening of eleven chapters of its accession talks. Apart from the hindrance this presents to a cohesive EU Balkan strategy, it also threatens to drain the momentum of Croatia’s internal reform and reinforce the Croatian people’s Euro-scepticism. Indeed, tensions were inflamed in 2008 when Croatia unilaterally declared the waters an environmental protection zone.

63. An ultimatum was issued, perhaps reflecting the EU’s fatigue of the dispute. On 3 March 2009, EU Enlargement Commissioner Olli Rehn called on Croatia to accept EU mediation or sacrifice its chances of becoming a member state in 2010. Croatian leaders have made it clear they favour international arbitration at the International Court of Justice at The Hague, whilst an approach involving the EU appears preferable to Slovenia. On 22 April the Commissioner put forward recommendations for the creation of a five-judge arbitration committee to decide upon the final land and sea borders. Both countries’ capitals are currently examining the latest proposals.

64. Whether EU mediation will prove fruitful is itself contested. The Croatian Parliament previously failed to ratify a 2001 temporary agreement on the boundary, guaranteeing Croatia one third of the bay. Furthermore, while it may be logical to demand that these sorts of rows should be settled, it also runs the risk of creating a precedent for retaliation that will be felt most acutely by Croatia’s neighbours. There was considerable concern expressed by politicians in the region during your Rapporteur’s fact-finding missions that should Croatia become an EU member state the “EU futures” of many neighbouring states would be in serious jeopardy.

VII. European policy prospects in the western Balkans

65. Peace and stability in the western Balkans has been a European priority for the better part of the last 20 years; and the Balkan countries’ main aim today is to achieve western integration as well. However, the entire region is still plagued by a plethora of problems as this report documents, many of them so deep-rooted that even if the correct course is chosen and followed strictly they will still take generations to solve and leave behind. These are essentially the interethnic issues over which the Balkans has gone to war so frequently in the past century.

66. Encouraging European integration and engaging in a reform process that will eventually lead to western Balkan countries becoming members of international organisations is more than merely a positive exercise. It has been shown to help develop mutual relations between the region and the West, based on building trust, and serves in practice to bolster public opinion in the West’s favour. In addition, it provides a boost to the confidence of the very countries and peoples that a decade ago had little to hope for.

67. Talk of future membership dates and promises to these states that they will soon be joining the “family” is designed as a morale booster to the countries of the region and to give them some hope. But it may at the same time have adverse effects. One should consider that unresolved issues on Europe’s doorstep today will become unresolved issues inside its door tomorrow.

68. The 2003 Thessaloniki EU Summit made a clear commitment to the Balkans by setting in train a process which would lead eventually to European integration. Energy, time and money are channelled, through the CFSP/ESDP and of course through the Union’s Stabilisation and Association Process for the region, towards solving these issues – which is why those mechanisms are in place. Rushing membership in order to avoid a crisis may lead to another. If these issues become internal problems, the work and effort invested through those mechanisms will instead become subject to

allocation via the internal political processes of the Union, which would disrupt the Union's day-to-day business.

69. The Thessaloniki Summit, however, also laid down preconditions, a major one being regional cooperation. A decade after the international community began its efforts in the region, there are still clear signs that many crucial sectors in receipt of external aid still cannot function independently. The Balkans simply cannot stand on its own two feet. Without an international presence, the threat of instability, of conflict even, may return very fast. Local politicians in many areas take advantage of the complexity of the situation to stir up feelings to further their own agendas, or stand idly by, knowing all too well that the West, with its resources, is on hand to help.

70. The Deputy Foreign Affairs Minister for Kosovo, Vlora Citaku, speaking at a press conference at CAPE (Centre d'Accueil de la Presse Etrangère), France, on 24 February 2009, said in response to a question from a journalist who asked what Kosovo expected from Europe, that "Kosovo is a one-year old baby which is in need of many presents from the West". This, however, is exactly the attitude that serves to reinforce EU "enlargement fatigue" and the current financial crisis will only increase further scepticism about enlargement among existing member states.

71. Today's global financial crisis poses a serious risk not only to the EU integration efforts of the western Balkan countries, but also to their economic and social development. One has to consider that a large portion of their GDP is derived from money sent home by the region's nationals living and working abroad. As they lose their jobs, however, this income will fall and, to further exacerbate the situation, many of them, being unable to sustain themselves and their families in Europe, will begin to return home.

72. On the other hand, OSCE Ambassador Gary D. Robbins suggests that the economic crisis could, paradoxically, serve to highlight to the people of the region that, regardless of their ethnic backgrounds and differences, they all face the same challenges and therefore share the same goals: employment and a better standard of living. The crisis could also prove to be an instrument of reconciliation in some cases.

73. In the face of the global financial crisis, there have been recent and regrettable instances of European governments promoting national policies encouraging "jobs for nationals only", "consumption of national products" and "company investments in their own countries rather than abroad", to name but a few. These go against the very ideals the Union has sought to promote in its short 50-year history, namely the four freedoms: free movement of people, goods, services and capital. The purpose of the present report is not to analyse such issues, but to draw attention to the fact that if countries which aspire to join the Union currently demonstrate only that they will add to Europe's "worries" – rather than showing initiative and being prepared to help alleviate the burden – it is very probable that the present positive course will simply be abandoned by Brussels which will instead choose to focus on home affairs.

74. The attitudes of EU members towards enlargement are changing and a dire picture is beginning to emerge. It can be argued that EU and NATO membership are the very things western Balkan countries are pinning their hopes on. However, both organisations have undergone several waves of enlargement and in the light of today's disastrous economic environment, not to mention the fact that institutional reform in the EU has stalled, mixed signals are being sent from a number of European capitals. A prime example is the recent statement from the German CDU Party calling for a phase during which "consolidation of the EU's values and institutions should take priority over further EU enlargement".

75. EU Enlargement Commissioner Olli Rehn, on the other hand, has challenged this, saying that the EU must not allow itself to take a break in its valuable work directed towards stability and social development in the Balkan states. Speaking in the European Parliament on 31 March 2009, he maintained that the EU's enlargement policy continued to be the main driving force for reform and

democratic development in the area and that any threat to it would be playing with fire in a region where stability, democracy and economic prosperity were of crucial importance to the EU.³³

76. The EU's 27 foreign affairs ministers favour a more realistic approach. On 28 March, they made it clear that despite the current economic and financial crisis the integration process for the western Balkan countries would not be allowed to slow down. However, there would be no let-up on conditions and the governments and parliaments of those countries had a lot of work to do to ensure compliance.³⁴

77. In his earlier report on the western Balkans addressed to this Committee, your Rapporteur stressed that the countries in the region needed to show initiative and demonstrate their interest in moving forward independently. Given today's reality, however, it is very difficult not to be pessimistic and that pessimism is reflected across Europe. Positive aspects must of course be highlighted and credit given where due. Serbia seems to be abandoning nationalism and most countries in the region are now moving away from being security consumers and have started building their own security and providing troops for international operations. But despite incremental improvements in some areas, there is clear evidence of a considerable deterioration in the situation in others and the emergence of new crises, serving sadly to overshadow progress being made elsewhere.

78. The positive effects the ESDP has had on the western Balkans since 2003 are obvious. Three operations have been launched and completed successfully, the EU has taken over responsibility from NATO and current operations are being scaled down and reconfigured, the better to suit today's circumstances. However, the greatest success has undoubtedly been in the area of security which has not merely improved but has reached levels of normalcy. There are three operations ongoing in the region and in that context the question as to what future the ESDP has in the western Balkans perhaps needs to be asked. Will European military and police operations one day cease and allow the Union to focus on other regions where its capabilities may be needed more urgently?

79. Already there is a distinct trend towards scaling down the more robust military forces in the region and an increasing focus on civilian operations put in place to train and monitor local forces and thus pave the way for the eventual departure of the international presence. Even in BiH, where currently it would be premature to withdraw EUFOR Althea entirely, there is a clear determination on the part of both the international and local communities to "wrap up" the operation. The EU is therefore setting an informal time frame for completion which might have been met years ago if the countries of the region had been better able to both deal with their problems and disagreements and make use of the aid and resources provided them.

80. Once again, it is down to local governments and legislators to manage the rate at which the ESDP missions are gradually withdrawn. Europe will never abandon the western Balkans, but its civilian and military presence and control over the day-to-day running of affairs in many parts of the region – often considered invasive and counterproductive to independent thinking – will be scaled down to the point where such missions exist solely for advisory purposes. Implementation of reforms, resolution of bilateral issues, abandoning nationalism and the entrenched attitudes of the past, and responsible management of aid are some of the more important measures that need to be adopted in order to show the West that with a more secure environment in the region there has been a corresponding rise in levels of political, economic and social responsibility.

³³ Bulletin Quotidien Europe 9873, 1 April 2009.

³⁴ Bulletin Quotidien Europe 9872, 31 March 2009.

APPENDIX I

*ESDP operations in the western Balkans***Ongoing Operations:****1. EULEX Kosovo (European Union Rule of Law Mission in Kosovo)**

Location: Kosovo	Time frame: Feb 2008 – (two-year renewable mandate)
Head of Mission: General Yves de Kermabon	

Mandate: Adopted under Council of the European Union Joint Action 2008/124/CFSP, EULEX works under the general framework of United Nations Security Resolution 1244 and has a unified chain of command to Brussels. Unanimously authorised by the UN Security Council in November 2008, it became operational in December. Termination of its two-year mandate is foreseen when the Kosovo authorities have gained enough experience to guarantee that all members of society benefit from the rule of law.

Force: Currently (March 2008) 1 300 international and 500 local staff (full strength: 1 900 international and 1 100 local staff).

Aims: The largest civilian mission ever launched under the European Security and Defence Policy, EULEX will assist the Kosovo authorities through mentoring, monitoring and advice on the rule of law, specifically with regard to the police, the judiciary and customs. EULEX will also retain a number of limited executive powers. In particular it will support Kosovo institutions, judicial authorities and law enforcement agencies in their progress towards sustainability and accountability, while furthering the development of an independent multiethnic justice system and multiethnic police and customs service. Immediate priorities include protection of minority communities and the fight against corruption and organised crime.

2. EUFOR-Operation Althea

Location: Bosnia and Herzegovina (BiH)	Time frame: Dec 2004 – Feb 2009
EU Force Commander: Major General Stefano Castagnotto	

Mandate: Adopted under Council of the European Union Joint Action 2002/210/CFSP, Operation Althea is part of the overall European Security and Defence Policy mission in BiH. It was launched with the conclusion of NATO's SFOR operation. It is authorised under UN Security Council Resolution 1575 with the task of upholding Chapter VII of the UN Charter and ensuring compliance with the Dayton/Paris Agreement in BiH. It continues to act in accordance with this peace enforcement mandate as specified in UN Security Council Resolutions 1575 (2004), 1639 (2005), 1722 (2006), and 1785 (2007) and 1845 (2008).

Force: EUFOR was deployed with a military contingent at the same force levels as SFOR (7 000 troops). At the moment, EUFOR deploys around 2 500 troops that can be easily reinforced by KFOR troops and over-the-horizon forces. The operation is carried out with recourse to NATO assets and capabilities, under the Berlin Plus arrangements. While 28 nations, including member states and non-EU Troop Contributing Nations (TCN), provide the necessary capabilities. Strategic direction and political control exercised by the Political and Security Committee (PSC) acting in accordance with Article 25, third paragraph of the Treaty on European Union.

Aims: Maintain a safe and secure environment in BiH and ensure continued compliance with military and stabilisation tasks as provided by the Dayton/Paris Agreement (General Framework Agreement for Peace – GFAP). Reinforce the EU's comprehensive approach towards BiH by supporting the international community's High Representative/EU Special Representative's Mission Implementation

Plan and assist in BiH's Stabilisation and Association Process (SAP). This includes providing support to the International Criminal Tribunal for the former Yugoslavia (ICTY) in pursuit of persons indicted for war crimes, and contributing to BiH's defence reform.

Future Notes: Preparatory work for a possible development of the operation to be submitted to the Council by March 2009.

3. EUPM (European Union Police Mission)

Location: Bosnia and Herzegovina (BiH)	Time frame: Jan 2003-Dec 2005 Jan 2006-Dec 2009
Head of Mission: Brigadier General Stefan Feller	

Mandate: Adopted under Council of the European Union Joint Action 2002/210/CFSP, in furtherance of the Paris/Dayton Agreement and by invitation of the BiH authorities, EUPM was the first mission launched under the European Security and Defence Policy. Its mandate and size was subsequently renewed and modified to run until 31 December 2009.

Force: Its initial phase comprised some 500 police officers from more than 30 countries. In its current refocused form it is made up of 166 international police officers, 35 international civilian staff members and 220 BiH staff.

Aims: EUPM aims, through mentoring, monitoring, and inspecting, to establish a sustainable, professional and multiethnic police service in BiH. This involves improving coordination between police forces and the judicial system and supporting local capacity and regional cooperation in the fight against organised crime, within the broader context of supporting BiH's authorities in implementing its April 2008 police reform legislation.

Completed Operations:

4. EUPAT (EU Police Advisory Team in the former Yugoslav Republic of Macedonia)

Location: former Yugoslav Republic of Macedonia	Time frame: Dec 2005-June 2006
Head of Mission: Mr Jürgen Scholz	

Mandate: Adopted under Council of the European Union Joint Action 2005/826/CFSP and following on from the EU Police Mission PROXIMA which ended in 2005, EUPAT emerged from consultations with the former Yugoslav Republic of Macedonia. Authorised under UN Security Council Resolution 1371 adopted on 26 September 2001, it supports EU efforts to implement the August 2001 Ohrid Framework Agreement.

Force: 30 police advisors.

Aims: Under the guidance of the EU Special Representative and in partnership with the host government authorities, EU police experts monitored and mentored the country's police on priority issues in the fields of border policing, public peace, order and accountability and the fight against corruption and organised crime. Particular attention was given to:

- overall implementation of police reform in the field
- cooperation between the police and the judiciary
- professional standards/internal control

5. EUROPOL PROXIMA (EU Police Mission in the former Yugoslav Republic of Macedonia)

Location: former Yugoslav Republic of Macedonia	Time frame: Dec 2003-Dec 2005
EU Force Commander: Mr Bart D'Hooge	

Mandate: Adopted under Council of the European Union Joint Action 2004/789/CFSP, and continuing on from CONCORDIA, PROXIMA was launched at the explicit request of the Government of the former Yugoslav Republic of Macedonia, and authorised under UN Security Council Resolution 1371 adopted on 26 September 2001, in support of EU efforts to implement the August 2001 Ohrid Framework Agreement.

Force: At full strength, the mission comprised some 200 personnel.

Aims: In partnership with the Ministry of Internal Affairs and other relevant authorities EUROPOL PROXIMA contributed towards the police reforms required by the Ohrid Agreement. This involved monitoring, mentoring and advising as appropriate on

- the consolidation of law and order, including the fight against organised crime, focusing on sensitive areas
- the practical implementation of the comprehensive reform of the Ministry of Internal affairs, including the police
- the operational transition, and the creation of a border police, as a part of the wider EU effort to promote integrated border management
- confidence building by the local police among the population
- enhanced cooperation with neighbouring states in the field of policing

6. CONCORDIA (EU Military Operation in Former Yugoslav Republic of Macedonia)

Location: former Yugoslav Republic of Macedonia	Time frame: March 2003-Dec 2003
EU Force Commander: Major General Luís Nelson Ferreira dos Santos	

Mandate: Adopted under Council of the European Union Joint Action 2003/92/CFSP and authorised by UN Security Council Resolution 1371 adopted on 26 September 2001 in support of EU efforts to implement fully the August 2001 Ohrid Framework Agreement, CONCORDIA was launched at the explicit request of the Government of the former Yugoslav Republic of Macedonia.

Force: Approximately 350 military personnel, from 13 EU members and 14 non-EU countries, were engaged in the operation. The mission relied on NATO assets and capabilities available under the Berlin Plus arrangements.

Aims: The aim of the EU operation was to contribute to a stable and secure environment thus allowing progress to be achieved in implementing the Ohrid Agreement. CONCORDIA formed part of the EU's larger commitment to the former Yugoslav Republic of Macedonia and rapprochement through the Stabilisation and Association process.

APPENDIX II***Five objectives and two conditions***

On 26 March 2009 the PIC Steering Board underlined the importance of the BiH authorities delivering the following requirements, in full, as soon as possible, to allow for the transition from the OHR to the EUSR:

Objectives

- Objective one: acceptable and sustainable resolution of the issue of apportionment of property between state and other levels of government;
- Objective two: acceptable and sustainable resolution of defence property;
- Objective three: completion of the Brcko Final Award;
- Objective four: fiscal sustainability;
- Objective five: entrenchment of the rule of law.

Conditions

- Condition one: signing of the SAA (completed 16 June 2008);
- Condition two: a positive assessment of the situation in BiH by the PIC Steering Board based on full compliance with the Dayton Peace Agreement.

APPENDIX III***Presidential subcommittee in the western Balkans
7-9 July 2008***

A presidential subcommittee composed of the Assembly's then President, Mr Jean-Pierre **Masseret**, the leaders of the Socialist and Federated Groups, Messrs **Pangalos** and **Walter**, and the Chairman of the Political Committee and Rapporteur for the western Balkans, Mr **Agramunt**, visited the western Balkan region from 7 to 9 July 2008 for high-level meetings with political leaders in Belgrade, Pristina and Skopje. The aim of the fact-finding mission was to further explore the present situation in the region following the report by Mr Agramunt, "2008: a decisive year for the western Balkans", which was adopted during the Assembly's plenary session in June 2008. The discussions focused on a range of issues including, in particular, the current security situation in the western Balkans, the latest political developments and the region's Euro-Atlantic aspirations.

Belgrade, Serbia, 7 July 2008

The delegation met with the newly appointed Speaker of the Serbian Parliament, Ms **Dejanovic**, who stressed that the Kosovo question remained a very delicate issue in Serbia. Although a number of countries had recognised Kosovo, many had not, including within the EU, and this reluctance pointed to the hurried nature of the decision to make the province independent. She added that the Defence Committee of the Serbian National Assembly was very concerned about the security questions arising for the region as a result of that decision. Mr **Pangalos** remarked that Serbia would have to deal with the Kosovo issue sooner rather than later. If Euro-Atlantic integration was indeed a Serbian priority, then surely the government must realise that EU enlargements concerned groups or blocs rather than single countries and that when the time came for Serbia to be integrated into the Union, Kosovo would most likely join at the same time as an independent state. Ms **Dejanovic** welcomed the increased multinational participation on the ground in Kosovo, but stressed with regard to the EULEX mission that international law must be upheld through the UN Security Council before that mission could be deployed and become fully operational. The Chairman of the Foreign Affairs Committee, Mr **Micunovic**, remarked that there were two distinct and contradictory processes under way in the EU on the one hand and in the western Balkans on the other: the former was engaged in a process of integration whilst the latter was undergoing a period of disintegration which when completed would pave the way for the region's aspirations for western integration.

At the Ministry of Foreign Affairs, Mr **Agramunt** raised the issue of the naming dispute between Greece and the former Yugoslav Republic of Macedonia, which he said was not merely a bilateral issue as it affected the wider region. Mr **Stefanovic**, head of the Foreign Minister's cabinet, replied that although Serbia had recognised the former Yugoslav Republic of Macedonia with its constitutional name, due to the Kosovo issue it was also in a position to understand Greece's concerns. He hoped that a mutually acceptable solution would be found soon in the interests of both countries and the region as a whole. President **Masseret** pointed out that although the Kosovo issue was dominating the headlines, recent polls in Serbia had shown that its population was preoccupied with other matters such as the high rate of unemployment. Mr **Stefanovic** agreed that although Kosovo ranked lower in the population's list of priorities than unemployment, the standard of living and the country's EU accession prospects, an overwhelming majority nonetheless stressed that it remained a non-negotiable priority.

Mr **Spasojevic**, State Secretary for Defence, noted that although NATO was not a very popular organisation in Serbia, for self-evident reasons, the Ministry of Defence was nevertheless moving towards a modernisation of the Serbian armed forces in order to comply with the NATO brigade system. In 2008 there were over 100 activities taking place in conjunction with NATO activities and exercises. He added that although the region still faced a number of security challenges, Serbia had no plans to deal with these in a military manner. Rather it recognised the continued responsibility of the international presence for the security situation in the western Balkans.

Pristina, Kosovo, 8 July 2008

The delegation was received by the President of Kosovo, Mr **Sejdiu**, who stressed that his country's main priorities were to create a peaceful and stable multiethnic society and to develop Kosovo's economy. In order to achieve these aims, long-term intensive cooperation with the international community was crucial, the end goal being Euro-Atlantic integration. The upcoming Donors' Conference (Brussels, 11 July 2008) would certainly provide an economic boost to an already mineral-rich country that was characterised by its young population. Mr **Walter** pointed out that in order for Kosovo to thrive and achieve its longer-term Euro-Atlantic aspirations it would first need to "normalise" relations closer to home and this meant improving relations with Serbia. However, this was impossible in the current political environment following Kosovo's independence. He asked the President whether he envisaged a north-south division of Kosovo one day, with the northern, predominantly Serbian part being annexed to Serbia. President **Sejdiu** stressed that Serbia wanted to reclaim the territory of Kosovo but did not want its Albanian population. As an independent state, Kosovo's territorial integrity had to be respected. Regarding the "division" of Kosovo he said this was an unwise idea as it would affect other regions in the Balkans (Republika Srpska in Bosnia and Herzegovina) and generate new instability.

Meeting with the Speaker of the Kosovo National Assembly, Mr **Krasniqi**, President **Masseret** asked about the latest developments regarding the creation of the Assembly of Municipalities in northern Kosovo. The Speaker said that his Assembly had not established relations with it as it had no legal status. Instead, EULEX had been asked for assistance in order to find a solution for dealing with this issue. In his opinion it was a destabilising factor that hampered the creation of a peaceful multiethnic society in the country. The Speaker explained that a total of 41 new constitutional laws had been adopted by the Kosovo Parliament since the country had gained independence on 17 February 2008. These new laws were designed to enable the country's new constitution and institutions to function properly. Mr **Agramunt** asked whether he was right in thinking that a considerable proportion of Kosovo's budget would need to be allocated to boost the country's institutions and the newly founded administration. Mr **Krasniqi** said that this was indeed the case and that the growing administration was currently composed of approximately 70 000 members of civil society.

The deputy Prime Minister of Kosovo, Mr **Kuci**, stressed the importance of establishing a peaceful multiethnic society in Kosovo; the creation of a multiethnic police force was already contributing towards meeting that goal. Responding to concerns expressed by Mr **Agramunt** about favouritism towards the Albanian members of the police force, Mr **Kuci** said that the reverse was in fact true as there had been recent examples of positive discrimination towards Serb police officers. He looked forward to a favourable outcome of the upcoming Donors' Conference which would not only help the country's economy but also pave the way for implementing important projects such as setting up a legal infrastructure for the fight against organised crime. Mr **Walter** pointed out that the country's stability depended largely on stable relations with its neighbours, which was not currently the case for its relations with Serbia. Mr **Kuci** said that Kosovo's northern neighbour now had a new government which he hoped would focus on its European integration aspirations rather than on Kosovo; the government of Kosovo had also appealed to all Albanians living in Serbia to be a part of Serbia's peaceful and democratic society and not to foment instability. In answer to questions from President **Masseret** and Mr **Pangalos** about the country's security concerns, Mr **Kuci** said that KFOR was currently the main guarantor of peace and he hoped that when the day came for KFOR forces to withdraw from the area, Kosovo would already be a NATO member.

The delegation also visited the Hellenic KFOR "Rigas Fereos" Camp en route to Skopje where they were briefed and given a tour of the facilities by the Commander and military personnel who outlined the current post-independence security situation in the country as well as the camp's primary patrol and policing responsibilities.

Skopje, the former Yugoslav Republic of Macedonia, 9 July 2008.

The Minister of Defence of the former Yugoslav Republic of Macedonia, Mr **Elenovski**, said that the country's armed forces had just started undergoing a process of complete transformation which was expected to be finished by 2017. The main challenge it faced was the creation of a multiethnic army.

He explained that conscription had been abolished since 2006 and that by the end of 2008 1 500 of the country's 8 000 professional troops would have taken part in foreign operations. Mr **Walter** remarked that the region was currently undergoing a number of changes which gave rise to new challenges and concerns. The Minister replied that Kosovo was the "new reality" and the main challenge for the western Balkans; as far as his country was concerned, however, the main priority was Euro-Atlantic integration.

Addressing the Speaker of the former Yugoslav Republic of Macedonia's National Assembly, Mr **Veljanovski**, as well as a number of representatives of the political groups, President **Masseret** stressed how important it was for the region as a whole to realise its goal of western integration, whilst good neighbourly relations and the creation of peaceful and stable multiethnic and diverse societies were key to successful integration. Mr **Veljanovski** highlighted the sound democratic principles upheld in his country and added that he was expecting a favourable report from the European Commission in the coming months. Mr **Pangalos** expressed his surprise over the fact that the naming dispute with Greece had reached the current unfortunate stage, as the two countries had extremely good economic relations. Mr **Walter** remarked that it was regrettable that the former Yugoslav Republic of Macedonia had not received an invitation to join NATO at the recent Bucharest summit. Mr **Veljanovski** replied that the hopes of the population nevertheless remained high with over 90% of the public at large being in favour of NATO and EU accession. Talks were continuing with the UN Mediator, Mr **Nimetz**, to find a mutually acceptable solution with Greece. Mr **Aliti**, coordinator of the Albanian DUI Party, said that three important issues had to be highlighted: improving interethnic relations between Albanians and Macedonians; progressing with the development of the country's democratic institutions; and the need to take strong action against organised crime.

The Minister of Foreign Affairs, Mr **Miloshoski**, said that although his country had complied with all the necessary criteria prior to the Bucharest NATO summit, it had been unable to receive an invitation to join the Alliance due to Greece's veto which was rooted in domestic problems rather than the naming issue. Mr **Pangalos** strongly disagreed with those remarks which he felt only served to complicate the issue instead of finding solutions.

In a brief meeting the Prime Minister, Mr **Gruevski**, said that following the recent elections he was currently appointing a new cabinet whose main immediate priorities would be to strengthen relations with both the EU and NATO, increase economic progress by reducing unemployment and attracting more foreign investment, fully implement the Ohrid Agreements, fight organised crime and step up investment in the country's education system.

Responding to concerns expressed by members of the delegation as to how ready the country was to join international organisations such as NATO and the EU, the President of the former Yugoslav Republic of Macedonia, Mr **Crvenkovski**, replied that in the case of NATO the only barrier to joining was the Greek veto; regarding the EU, a report was expected from the European Commission by the end of the year and both government and parliament were working hard towards obtaining a favourable mention which would further increase the former Yugoslav Republic of Macedonia's prospects for EU accession.

APPENDIX IV

*Rapporteur's fact-finding mission to the western Balkans (Belgrade and Pristina)
6-8 April 2009*

On 6-8 April 2009, Mr **Pedro Agramunt**, Rapporteur for the western Balkans on behalf of the Assembly's Political Committee, attended a series of meetings in Belgrade and Sarajevo with government representatives and officials, as well as representatives of the international community. During the discussions in the two capitals, the Rapporteur expressed concern about the situation in the region, where a number of unresolved issues are affecting the progress of EU integration and the overall stability of the western Balkans. He asked the different speakers for their views on these and other issues and regarding the outlook for the future.

In Belgrade the Minister for Kosovo and Metohija, Mr **Goran Bogdanovic**, stressed that Serbia had no intention of abandoning Kosovo and its minorities. He said that there were international laws governing such issues from which Kosovo was in no way exempt and that the unilateral declaration of independence was completely unacceptable to Serbia, as was any attempt to redraw borders in Europe and in the western Balkans in particular. He added that his country respected the decision of several EU member states not to recognise Kosovo and that he did not know of a single country today in the EU that did not face problems of minorities. Kosovo was a particularly problematic case due to the high levels of crime and corruption in the region, which often received support from within the government.

At the Defence Ministry, the State Secretary for Defence, Mr **Spasojevic**, said that his country wanted to strengthen its relations with the Assembly. The new Serbian Government which had taken office on 7 July 2008 had four main priorities: the defence of Serbia's territorial integrity, EU integration, a stable economic policy and a stable social policy. In the military field it had taken significant steps to move closer to NATO standards and practices. Serbian-NATO cooperation had also been strengthened, and even if Serbia was to take the political decision not to join the Alliance in the future, the Serbian military would continue to adhere to the new standards. The fact that Serbia had refrained from military action, opting instead to take a diplomatic route when Kosovo had declared its independence the previous year, was commendable. There was excellent cooperation between the Serbian authorities on the one hand, and KFOR and UNMIK, on the other, and currently the government was seeking an appropriate formula for EULEX. However, it had been a mistake on the part of the international community to assign the responsibility for training the Kosovo Security Force (KSF) to KFOR; it would have been preferable to make this the responsibility of one country rather than of the Alliance as a whole. According to current estimates the KSF would reach a total strength of 2 500, but Serbia was worried that if the force was placed under the command of a General it could well increase to a much larger number.

The **Rapporteur** expressed concern about the current relations between the former Yugoslav Republic of Macedonia and Greece. Mr Spasojevic replied that although Greece had been the target of international criticism when it had blocked the former Yugoslav Republic of Macedonia's NATO accession the previous year, Skopje had recently made a series of provocative moves such as naming its airport "Alexander the Great". Furthermore, the former Yugoslav Republic of Macedonia needed to look inwards to the considerable internal problems it faced, such as its divided society, its authorities' inability to control a large swathe of the country's territory and the disputes with several neighbours. He added that the former Yugoslav Republic of Macedonia was a neuralgic point of the western Balkans which in the absence of an international presence was liable to explode.

At the Foreign Affairs Ministry, the Head of the Foreign Minister's Office, Mr **Stefanovic**, said that it was an achievement for Serbia to have managed to take its case regarding the manner in which Kosovo had declared independence before the International Court of Justice. This issue had now become a focal point of Serbian foreign policy and a decision, even a non-binding one, recognising the illegality of Kosovo's actions was crucial for the Serbian population. This case was also important in that it transferred the problem (and resulting tensions) away from the region by placing it under the authority of an international judicial body. He added that the current situation was not viable for the region and that Serbia was looking for ways in which to establish communications with the Kosovo

authorities. However the grounds given by Kosovo for declaring independence – human rights violations and the claim that Kosovo had become a part of ex-Yugoslavia – were false. Regarding the EULEX operation, he said Serbia currently had only one request of the international community, which was the symbolic appointment of one UN official in Belgrade to mediate between Belgrade and EULEX.

At the National Assembly, the Chairman of the Foreign Affairs Committee, Mr **Micunovic**, said that since February 2008 Serbia's foreign policy had focused largely on Kosovo and on European integration. He added that Serbia needed to re-establish ambassadorial ties with the countries of the region and to find the ways and means of taking the Balkans forward. He acknowledged the problems faced by most countries of the region, but said that there must be no slowing down of the process of European integration.

On 7 April in Sarajevo, the Rapporteur met with Prime Minister **Nikola Spiric** of Bosnia and Herzegovina (BiH), who reported ongoing improvements in the country's political situation following several months of stalled reforms, and rising public optimism with regard to the general outlook. Reforms were also progressing, with both positive and negative results. In answer to a question about the current and future role of the Office of the High Representative (OHR), he felt it to be counterproductive as regards both progress on reforms and the country's political reconciliation. In his view, moreover, the international community was acting as a crutch for BiH, rather than allowing it to progress naturally; it must therefore begin to draw back with a view to its eventual total withdrawal from BiH: EUFOR itself admitted that there was no longer any reason for it to remain in the country. The OHR's powers should be transferred to local institutions and communities so that they could start taking real action. The Prime Minister remarked that had he been in charge of the OHR, BiH would today be a member of the EU. A worrying aspect for BiH was the dual citizenship held by members of the Serb and the Croatian communities. If Croatia joined the EU, followed by Serbia in the future, most BiH citizens holding the passports of those two countries would most likely decide to leave in order to become EU citizens. The Bosniak community, left behind, would construe this as a move against it by the EU. While this would not happen for some time to come, the prospect of such a development and the related discussions were currently causing tensions in BiH.

In reply to Mr **Agramunt's** comments concerning the transition from the OHR to the EUSR, the Prime Minister said this would happen when the US, not the EU, so decided; the US still had a very strong voice in the country and was very influential in all sectors. On regional issues the Prime Minister explained that BiH was a stable force in the region and that most countries looked up to it. A very important issue for the future stability of the western Balkans was Kosovo. BiH had decided not to recognise Kosovo's independence. Regarding the composition of BiH's population, some 1 500 000 Serbs lived in Republika Srpska while 2 500 000 Bosniaks and Croats accounted respectively for 70% and 30% of the population of the Federation of BiH. However the last census had been conducted in 1991, before the war, and there were therefore no accurate statistics. A Dayton II international conference was now needed, 15 years after the war, in order to address the serious issues facing the country.

The OSCE Head of Mission to BiH, H.E. Ambassador **Garry Robbins**, outlined the main functions of the Mission which included security oversight, democratisation, human rights and education oversight. The education sector was falling behind due to the segregation of students from different ethnic backgrounds and the teaching of different versions of historical facts. There had been some progress on certain reforms in recent years, but some, such as police reforms, were harder to push through than others. The international community held the door open for BiH but it was up to the country itself to take the decision to walk through that door. Asked by the **Rapporteur** about the dual citizenship of Croatian and Serb citizens, the Ambassador said that in some cases Croatian citizens could even be elected to the Croatian Parliament while residing in BiH. On the issue of the OHR he stated that the previous High Representative, **Miroslav Lajčák**, had made much more selective use of his Bonn Powers. He had applied them surgically to lower levels rather than to controversial issues such as the sacking and appointment of ministers and officials. This, he said, was a very effective way of encouraging progress in the country and unblocking the issues that generated tensions between the three ethnic groups. Paradoxically, the global financial crisis might serve as a tool for reconciliation by

bringing home to the people the fact that regardless of their ethnic background they faced the same challenges and shared common goals: employment and a better standard of living. The desire of many young people to leave the country was neither an ethnic nor a political statement, nor did it reflect concerns about their security. It was simply an economic statement, which was why it was necessary to create opportunities in BiH and the wider region.

Mr **Simosas**, Political Director at the OHR, outlined the main work being done by the OHR and the different approaches adopted by the various High Representatives over the past 15 years. In recent years the OHR had largely left the country to deal with policies and reforms on its own, but this had also led to the coordination of policies falling hostage to the two entities' interests and rivalries. Moreover, due to the political make-up of the Federation of BiH, 60% to 65% of its total budget went on administrative costs, which was all the more worrying in view of the fact that the region had not yet felt the full impact of the global financial crisis. Regarding the proposed reduction of the EUFOR mission from 2 200 to 200 troops, he felt that this needed to take place 3-4 months after the transition from the OHR to the EUSR. Support from over-the-horizon forces was not a viable prospect since, according to DSACEUR General McColl, 1 000 troops would be needed on the ground in BiH in order to prepare for their deployment. Regarding the OHR's role in BiH, he stated that the Office would no longer need to stay open after the 5+2 conditions were met in the country as it was often an obstacle to political progress.

Mr **Ljubic**, Minister for Transport and Telecommunications and a leading figure in the Croatian community, said that regional stability was a priority for BiH: there was concern that with the current global financial crisis the situation would get worse instead of better, at least in the foreseeable future. Regarding the current political situation, he expressed frustration with the Prime Minister and Council of Ministers as this was a sensitive time when reforms needed to be implemented, not blocked. He was not happy with the OHR's mandate as it had stood for the past two years: it gave the country the constant feeling of being monitored, which was an obstacle to the reform process. However, there were also major problems in the Chamber of Deputies, which required a 50% majority as well as a majority of each Entity's deputies in order to pass reforms. As a result some 200 laws had been blocked since 2006.

The President of the Bosniak SDA Party, Mr **Tihic**, was concerned about the current political situation in the country which he said could affect the wider region. By the same token, however, improved relations in one area would have positive repercussions throughout the Balkans. It was particularly worrying to see that major reforms had stalled since 2006. The OHR had had a weak mandate these past few years and had not made full use of its powers. Both US and OHR support for BiH should be stepped up and the OHR should be maintained until such time as the reform process had been completed and the institutions to replace the OHR were fully in place. The 5+2 conditions outlined by the OHR would not be enough for the country to run self-sufficiently. He was worried about Bosnia's inability to deal with the global economic crisis that was seeping into the country, as the necessary mechanisms were not yet in place. Regarding Republika Srpska, he remarked that if Mr Dodik could secede he would not think twice about it: he was a destructive force for the country.

DRAFT RECOMMENDATION

on ESDP and the future of the western Balkans – reply to the annual report of the Council

The Assembly,

- (i) Reaffirming its commitment to peace and stability in that region;
- (ii) Aware of the western Balkans' turbulent history which today still leaves a deep impression on the attitudes of the region's peoples and governments;
- (iii) Emphasising the invaluable role that the ESDP has played in the region since 2003, particularly in achieving security and stability;
- (iv) Deeply concerned about the deteriorating political situation in Bosnia and Herzegovina, the fact that the two entities are still unable to reach agreement on a number of core issues vital to the country's survival and as regards the threats of secession emanating from Republika Srpska's political leaders;
- (v) Welcoming the progress, albeit slow, being made through the implementation of reforms proposed by the Peace Implementation Council (PIC) in Bosnia and Herzegovina, but concerned that there is still no movement on important reforms such as those in the police sector;
- (vi) Noting that there remains an urgent need to revise Bosnia and Herzegovina's constitution in order to create viable state structures and set the country on a clear course towards Euro-Atlantic integration;
- (vii) Concerned that demands are being made on Serbia which it may not be capable of delivering and convinced that in order to encourage the pro-European policies of Serbia's President and Parliament, the EU should improve the visa regime for Serbia and assist the country in dealing with refugees from Kosovo on its territory;
- (viii) Welcoming Serbia's cooperation with the ICTY and the arrest in July 2008 of Radovan Karadzic, indicted for war crimes; expressing also the wish that ongoing cooperation between Serbia and EU member states will lead to the arrest of the remaining indicted war criminals, Ratko Mladic and Goran Hadžic, making it possible for the Stabilisation and Association Agreement (SAA) between Serbia and the EU to take effect;
- (ix) Welcoming the fact that EULEX Kosovo, the European Union's largest ESDP mission to date, has reached full operational strength, concerned that the authorities of Serbia and Kosovo question EULEX's legality and efficiency, but noting with approval that Serbia is pursuing its objections by legal and democratic means;
- (x) Welcoming the UN Secretary General's Report on the UN Interim Administration Mission to Kosovo in November 2008 which managed to secure UN Security Council approval for the launch of Operation EULEX Kosovo under the authority of UNMIK;
- (xi) Aware that a number of countries, including several EU member states, have still not recognised Kosovo as an independent state and that there is no immediate prospect of a common position on recognition of Kosovo being reached at EU level;
- (xii) Noting Serbia's bid to take its case forward to the UN International Court of Justice and have the legality of the circumstances in which Kosovo declared independence reviewed;
- (xiii) Congratulating Albania and Croatia on their membership of NATO;
- (xiv) Concerned about the continuing failure of the negotiations between Greece and the former Yugoslav Republic of Macedonia and the two countries' inability to reach agreement over the latter's name, which is preventing its integration into Euro-Atlantic structures;
- (xv) Concerned about the border dispute between Slovenia and Croatia which is hampering Croatia's progress towards EU membership;

(xvi) Deeply concerned about the negative consequences of the global financial crisis on the wider western Balkan region and specifically the impact on the economic, political and social situation in all the countries concerned;

(xvii) Concerned that the western Balkan states have not managed, to date, to bring about a reduction in the consistently high and rising levels of corruption omnipresent in the region;

(xviii) Taking note of the growing reluctance on the part of a number of EU member states to countenance further EU enlargement, thus bringing about a redefinition of the EU's Balkans integration policy which so far has focused on EU accession for the countries of that region;

(xix) Believing that the region must not be abandoned by the EU, as important political, economic and cultural ties have been achieved through its Balkan integration policy which has been in place for a considerable period,

RECOMMENDS THAT THE COUNCIL INVITE THE WEU NATIONS AS MEMBERS OF THE EUROPEAN UNION TO

1. Continue the valuable work being done by the OHR/EUSR and by Operation EUFOR Althea in Bosnia and Herzegovina until the country's political leaders adopt the objectives and meet the conditions proposed by the Peace Implementation Council (PIC) and until such time as the political situation in the country is deemed stable enough for necessary constitutional change to take place, to be followed, at a later stage, by transition of the OHR into an EUSR and reconfiguration of EUFOR Althea;
2. Intensify their work on establishing closer ties between Republika Srpska, the Federation of Bosnia and Herzegovina, and the central government so as to bring the country greater stability and security and reduce the fear of and pressure for the secession of Republika Srpska;
3. Urge the Serbian and Bosnia and Herzegovina authorities to continue their constructive cooperation with the ICTY and arrest the remaining indicted war criminals;
4. Remove the condition that currently prevents Serbia's SAA with the EU from going forward so that the European aspirations of that country and its people are not made hostage to the arrest of one man;
5. Urge the authorities of Serbia and Kosovo to allow EULEX Kosovo to execute its mandate unhindered;
6. Continue, at a time of financial difficulty to sustain the momentum of an integration policy for the western Balkans which to this day envisages promoting security and stability on Europe's doorstep;
7. Continue, at what is still a volatile period for a number of areas in the region, to maintain an ESDP presence that will increasingly focus on a monitoring, mentoring and advisory role;
8. Encourage Greece and the former Yugoslav Republic of Macedonia to find a mutually acceptable solution to the longstanding naming dispute, on the basis of the latest proposals put forward by the UN mediator, and bring forward the latter's accession negotiations;
9. Encourage Slovenia and Croatia to find a mutually acceptable solution to their border dispute on the basis of the Enlargement Commissioner's recent recommendations.

AMENDMENTS³⁵

1-3

tabled by Mr Theodoros Pangalos (Greece, Socialist Group)

1. In recital (vi) of the preamble to the draft recommendation, after “on a clear course towards”, insert “European and”.
2. In recital (ix) of the preamble to the draft recommendation, after “the European Union’s largest”, insert “civilian”.
3. At the end of recital (x) of the preamble to the draft recommendation, delete “authority of UNMIK” and replace with “overall authority and within the status-neutral framework of the United Nations”.

Signed: Pangalos

AMENDMENTS

4 and 5

tabled by Mr Aleksandar Nikoloski (former Yugoslav Republic of Macedonia, Federated Group)

4. Replace recital (xiv) of the preamble to the draft recommendation with the following new recital:
“Concerned that the UN-led talks between Greece and the Republic of Macedonia regarding the latter’s name have not resulted in a mutually acceptable solution, thus preventing the country’s integration into Euro-Atlantic structures;”.
5. In paragraph 8 of the draft recommendation proper delete “, on the basis of the latest proposals put forward by the UN mediator,” and replace with “in the framework of the UN-led process”.

Signed: Nikoloski

AMENDMENTS

6 and 8

tabled by Mrs Vesna Marjanovic (Serbia)

6. In recital (viii) of the preamble to the draft recommendation, after “crimes;” insert “supporting the activation of the Stabilisation and Association Agreement (SAA) between Serbia and the EU;” and delete “, making it possible for the Stabilisation and Association Agreement (SAA) between Serbia and the EU to take effect”.
8. After paragraph 5 of the draft recommendation proper insert a new paragraph as follows:
“Call on EULEX Kosovo to maintain neutrality over the status of Kosovo and act in accordance with Resolution 1244 and the six-point plan of the United Nations General Assembly;”.

Signed: Marjanovic

AMENDMENT

10

tabled by Mr Zdenko Franić (Croatia) and Mrs Marija Pejčinović Burić (Croatia, Federated Group)

10. In paragraph 9 of the draft recommendation proper at the end insert “in order to allow EU accession negotiations with Croatia to be resumed.”.

Signed: Franić, Pejčinović Burić

³⁵ See 3rd sitting, 3 June 2009 (Amendments 7 and 9 withdrawn, 1-6, 8 and 10 adopted).