

Assembly of Western European Union

DOCUMENT 1653

10 June 1999

FORTY-FIFTH SESSION

Monitoring the situation in the Balkans

REPORT

submitted on behalf of the Political Committee by Mrs Squarcialupi, Rapporteur

ASSEMBLY OF WESTERN EUROPEAN UNION 43, avenue du Président-Wilson, 75775 Paris Cedex 16 Tel. 01.53.67.22 00 – Fax. 01.53 67 22 01 E-mail. assembly *ā* weu.int Internet: http://www.weu.int/assembly/welcome.html

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¹ Adopted unanimously by the Committee.

² Members of the Committee: Mr Baumel (Chairman). MM Urbain, Blaauw (Vice-Chairmen). MM de Assis. Bianchi, Behrendt, Brancati, Sir Sydney Chapman (Alternate: Hancock), MM Cusimano, Dias, Mrs Dumont, Mrs Durrieu, MM Ehrmann, Evangelisti, Eyskens, Haack, Hornhues, Lord Kirkhill, MM Lemoine, Liapis, Van der Maelen (Alternate: Staes). Marshall, Martinez, Martínez Casañ, Micheloyiannis, Lord Ponsonby, MM Puche Rodríguez, Recoder, Rippinger (Alternate: Kollwelter), Roseta, Schmitz, Skoularikis, Sterzing, Timmermans, Verhagen, Volcic (Alternate: Mrs Squarcialupi), Wray (Alternate: Vis).

Associate member: Mr Gundersen.

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The Assembly.

(*i*) Noting with relief that the first "European" war since 1945, pitting NATO against the Government of Serbia, and the ethnic cleansing engaged in by the latter in Kosovo for some years, have been brought to an end, and deeply regretting the loss of life among the ethnic Albanian. Serbian and Montenegrin populations.

(ii) Recognising that in the wake of the collapse of the communist system and the gradual introduction of western-style democracy in central and eastern Europe, the deep-rooted differences between the constituent nations of former Yugoslavia inevitably led to the dissolution of the country;

(in) Conscious that Western Europe was wholly unprepared for the determination shown by the protagonists in Yugoslavia's dissolution and the violence they unleashed in order to attain their objective;

(iv) Regretting that in every crisis that has broken out in south-eastern Europe over the past eight years, the EU and WEU acted too late and too ineffectively to prevent it escalating into unacceptable violence, the most horrific examples being the war in Bosnia and Herzegovina followed by the conflict in Kosovo:

(v) Considering that after too many years of ineffective foreign and security policy, the EU and WEU must undertake a thorough reappraisal of their responsibilities and capabilities in this field, on the basis of Article 17 of the Amsterdam Treaty,

 (v_l) Aware that following the failure of more than a year of diplomatic efforts to find a peaceful solution to the crisis in Kosovo, there was no choice other than to take military action against Mr Milosevic's regime, which was committing intolerable criminal acts, including ethnic cleansing, against its own population;

(vn) Convinced that a halt to the armed conflict is only the first stage in establishing peace in Kosovo and that it will not be possible for the deportees to return to their homes immediately,

(viii) Confirming that the United Nations Security Council has prime responsibility for the maintenance of international peace and security – a fact which confers legitimacy on enforcement action under regional arrangements or by agencies – and regretting that it did not adopt an additional enabling resolution following the failure of the Rambouillet conference and the Paris talks;

(ix) Noting with bitter irony that the conditions accepted by the Serbian Parliament are very similar to – and even more restrictive than – those rejected at the end of March and that thousands of human lives might have been spared, as well as the considerable damage inflicted on Serbia and, more recently, on Kosovo,

(x) Aware that the lack of European capabilities to mount a large-scale military operation left Europe with no choice other than to go along with the US policy of air operations and support NATO's military action against the FRY aimed at ending the suffering of the Kosovar Albanians and securing their return to their rightful homes under effective international protection.

(xi) Acknowledging Russia's leading role in the mediation process, conducted under conditions of extreme difficulty;

(xn) Considering that Albania – a country suffering from serious deficiencies in its public administration, at the same time having to contend with widespread criminality and still recovering from the consequences of the serious crisis of early 1997 – needs extensive support and assistance to cope with the many repercussions of a dramatic influx of refugees from Kosovo.

(xiii) Considering that the Multinational Advisory Police Element (MAPE) is providing the Albanian Government with help through training, assistance and advice in re-establishing a viable police force which is essential for the further development of the rule of law in Albania;

(xiv) Noting that the many refugees who have found shelter in the homes of Albanian families or in refugee camps could present Albania with an internal security problem given the widespread poverty and precarious social and political situation in the country:

(xv) Aware that a visible presence of foreign military and police forces would be a positive contribution to the security of both the Albanian population and the refugees:

(xvi) Conscious that the influx of refugees from Kosovo is causing serious problems in FYROM where it may have a negative effect on the deteriorating socio-economic situation and the finely drawn ethnic balance:

(xvn) Welcoming the fact that despite its justified concern over the position of the Hungarian minority in Vojvodina, Hungary has put its airspace and a number of major ground facilities at the disposal of the Atlantic Alliance in order to help it implement its air operation against Serbia;

(xviii) Welcoming the positive attitude of Bulgaria and Romania, which have also put their airspace at the disposal of the Atlantic Alliance notwithstanding the fact that each of these countries is suffering heavy economic losses as a result of the conflict in Kosovo.

(xix) Welcoming the position the Republic of Montenegro adopted during the conflict in order to defend its democratic power and give shelter to the Kosovar refugees notwithstanding Serbia's hostile and threatening stance and the damage caused by the NATO bombardments:

(xx) Noting that after a peace settlement in Kosovo, Europe will have a specific responsibility for the consolidation of peace and prosperity in the region of south-eastern Europe as a whole and that this will now be an extremely costly process:

(xxi) Considering that WEU, with its post-conflict experience of police force restructuring, should be given the task of forming police forces in Kosovo to guarantee the security and peaceful co-existence of the different communities and maintain the rule of law.

(xxn) Noting that the conflict in Kosovo has accelerated the debate on a much-needed European security and defence policy which will enable Europe to manage and solve regional crises and conflicts on its territory when the United States does not wish to be involved:

(xxiii) Considering that EU/WEU member states should urgently implement their commitment to develop a more effective military capability by reinforcing their capacity for independent intelligence-gathering, strategic transport and command and control, thus complementing NATO capabilities.

(xxiv) Wondering, however, whether strengthening the common European policy on security and defence, as envisaged by the European Council in order for it to assume its responsibilities, is the right answer if its purpose is merely to take on board Petersberg missions at the lower end of the scale, while not contemplating the possibility of undertaking the size of mission required in Kosovo for a long time to come:

(xxv) Considering that after a peace settlement for Kosovo has been secured. Europe should participate in the international military peacekeeping and implementation force with its own multinational forces which are at the disposal of both NATO and WEU, in order to give visible effect to its ambitions in that field.

(xxvi) Welcoming the indictment of Messrs Milosevic, Milutinovic, Sainovic, Ojdanic and Stojiljkovic for war crimes and crimes against humanity – in particular for having planned, instigated, ordered, committed or otherwise aided and abetted a campaign of terror and violence directed at Kosovar Albanian civilians, including deportation, murder and persecution; (xxvii) Urging that rapid democratisation be set in train in Serbia to enable the country to put behind it Mr Milosevic, and his regime, with whom, as a war criminal – notwithstanding the fact that the international community must reach a peace settlement with him – discussion of the political and institutional basis of Kosovo, the reconstruction of Yugoslavia as a whole and stability in the Balkans cannot be entertained.

(xxviii) Aware that the implementation of the Dayton Peace Agreement is a complicated process which will take many years, during which not only the active role of the High Representative and many international and non-governmental aid organisations but also the presence of SFOR will remain essential to keep the reconstruction and further development of Bosnia and Herzegovina on the right track.

(xxix) Considering that when the conflict is finally over, the task of detailed and objective evaluation of the NATO intervention, assessing its political and economic costs and gains, must fall to a Parliamentary Assembly so that lessons are drawn for the future and the conclusions are conveyed to those in charge of Europe's Common Foreign and Security Policy;

(xxx) Welcoming the work of the WEU Demining Assistance Mission in Croatia which is helping to remove another obstacle to the return of refugees.

RECOMMENDS THAT THE COUNCIL

1. Help make preparations for the international military force to be deployed in Kosovo following a peace settlement based on the principles laid down by the G8 countries, in particular by proposing that European multinational forces at the disposal of both NATO and WEU be part of such a force in order to give visible effect to Europe's ambitions in this field:

2. Prepare for the deployment of a WEU demining assistance mission in Kosovo to help clear the region of mines and other explosive devices which constitute a major obstacle to the return of refugees and deportees:

3. Make every effort to ensure that strengthening the common European security and defence policy will not be restricted to a European capacity for autonomous action at the lower end of the Petersberg scale but will also include a capacity for managing crises of an order of magnitude comparable to the one in Kosovo:

4. Prepare, building on the experience gained in the police missions in Mostar and Albania, for the deployment of a WEU advisory police mission in Kosovo in order to establish a viable police force that can win the confidence of the population through its ability to guarantee security and enforce law and order.

5. Strengthen the MAPE mission in Albania and further extend its mandate to make MAPE more flexible and less reliant on management from WEU headquarters in Brussels, so that it can adapt to rapidly changing circumstances, this being essential in the present environment in Albania,

Take action with greater resolve in future crisis situations in order to prevent them deteriorating, in view of the fact that conflict prevention should always take priority over the option of military intervention with all its dire consequences.

Explanatory Memorandum

(submitted by Mrs Squarcialupi, Rapporteur)

I. Introduction

1. For almost a decade now, the countries of south-eastern Europe, and in particular in former Yugoslavia, have been going through a series of crises and conflicts which have in the main resulted in decline, disorder and desperation Governments in Europe and in the United States have become increasingly involved in the complex issues affecting the region, while discovering how difficult it is to solve crises and conflicts stemming from its complicated mix of territorial claims which are the result of centuries of history and domination by foreign powers. Many Western chancelleries have had to devote a great deal of their time and energy to the dramatic conflicts in south-eastern Europe. This might not have been the case had Europe and the United States intervened earlier and more decisively.

2 It seems that a solution is in the making for the conflict in Kosovo which may bring relief to many, including the refugees who have gone through a terrible ordeal

3. The conflict in Kosovo should not, however, allow us to ignore what is happening elsewhere in the region. The present report provides a succinct overview of the present state of affairs in south-eastern Europe and attempts to draw some conclusions as to what remains to be done. In your Rapporteur's view, the responsibility here lies with the EU and WEU

II. Albania

4 The situation in Albania has been discussed in a number of earlier Assembly reports¹ and a report of the Committee for Parliamentary and Public Relations, adopted on 19 May 1999, provides an account of recent developments in the country The present report, therefore, concentrates on the implications of the Kosovo conflict for Albania which is still in the throes of turbulent political and economic developments and on the role of MAPE (Multinational Advisory Police Element)²

(a) The political implications of the Kosovo conflict

5 Albania has always been in favour of a peaceful solution of the crisis in Kosovo through negotiations between the two parties. It has supported the Rambouillet peace plan, which so far is the only one establishing peace on the basis of a provisional settlement.

6. The Albanians argue that President Milosevic has deliberately implemented a planned programme of ethnic cleansing which started long before NATO's air strikes He was aware that democratic rule in the province would inevitably lead to an independent Kosovo. NATO's military operations are now the only way to restore peace in Kosovo and after that, only a strong international military presence under NATO command will be able to prevent further conflict The transitional period may have to last more than three years and during that period Kosovo should preferably be an international protectorate under EU administration.

7 As regards the KLA (Kosovo Liberation Army). Albanian politicians argue that as long as there is no strong international military presence on the ground in Kosovo, the Kosovar Albanians have the right to self-defence, which justifies the KLA's activities. The KLA should be supported because at the moment it is the only force on Kosovar territory which can help defeat the forces of Mr Milosevic. There is also a danger that Mr Milosevic will try to divide the ranks of Kosovar Albanian political leaders. During the initial period of NATO's air strikes, he kept Ibrahim Rugova hostage, in order to exploit him. The Kosovar Albanians should do everything to join ranks and help the international community establish a democratic government in Kosovo.

8. The President of the Republic and government authorities including the Prime Minister

¹ Document 1589: Europe's role in the prevention and management of crises in the Balkans, Rapporteur: Mr Blaauw; Document 1608 Europe and the evolving situation in the Balkans. Rapporteur: Mr Blaauw, Document 1627. WEU and crisis management in the Balkans, Rapporteur. Mr Baumel.

² This chapter also includes the findings of a visit by the Rapporteur and a delegation from the Assembly's Presidential Committee to Albania on 20-23 April 1999

and the Minister for Public Order have emphasised that the influx of refugees, which already represents 10% of the total population of the country and could possibly increase to 20%, poses a serious security problem for the government

9. Until now, MAPE has played a positive role in helping to restructure the Albanian police With the new situation caused by the refugee influx, the Albanian authorities would like it to play a more active role, taking in areas outside Tirana and Durres as well. Through MAPE, the EU-WEU should also help the Albanian police with basic needs such as transport and communications equipment, the lack of which impedes any efficient police operation in impenetrable parts of the country.

10 The Minister for Public Order is satisfied with the work done by MAPE in training and advising the Albanian police and asked for an extension of MAPE's mandate This extension should include two or three mobile teams of 20 personnel to train local police units on the spot and one or two co-ordinators in each of the 12 regional police directorates

11. Although the government has made great progress in controlling the territory of Albania, there are still serious problems and a lack of control in the border area with Kosovo, where skirmishes are also taking place between different factions of Kosovar Albanians. The camps pose a possible security risk not only because of the activities of common law criminals but also because of FRY agents trying to create social and political tension.

12 President Rexhep Mejdani has pointed out that the region needs a Marshall plan. This must be an EU-supported initiative. Any initiative by the countries of the region itself would not be enough to trigger the rapid economic progress that is badly needed.

13. After peace is restored. Kosovo should provisionally become an international protectorate for an unspecified number of years. A strong international military presence is required to prevent a renewed outbreak of the conflict and guarantee the safe return of refugees and displaced persons. There should also be a strong international civilian presence with a threefold task, humanitarian (IRC, UNHCR and NGOs):

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institutional and political (Council of Europe, OSCE and WEU for police restructuring), and economic (EU and possibly the United States)

14 President Mejdani has said that it is difficult to predict what the status of Kosovo will be after this provisional period. It may be independence but for the time being it is more important to promote the concept of a multi-ethnic society for the province in order to help restore a balance in south-eastern Europe. A partition of Kosovo, as suggested by some, is inadmissible – Kosovo's borders should not be changed. Albania has no intention whatsoever of absorbing Kosovo into a "Greater Albania".

15. Kosovo can be a multi-ethnic province, but only if all the various ethnic groups are prepared to obey the rules of a democratic society Such a multi-ethnic democratic society cannot be established with the participation of Mr Milosevic or other Serbian extremist nationalists.

16 The different political factions in the Kosovar Albanian community will still have to make an effort to come closer to each other and cooperate on the establishment of a viable democratic society after the end of the present conflict The Albanian Government will do everything possible to stimulate this rapprochement, but this objective is difficult to attain now that all the political leaders have fled the country and are in hiding.

17. President Mejdani attaches great importance to the existence of FYROM as an independent state and a stabilising factor in the region. Albania has good relations with this neighbouring country and is constantly endeavouring to develop them Albania is prepared to accommodate Kosovar Albanian refugees who initially fled to FYROM if this helps to prevent a destabilisation of that country. It is no secret that this is one of Mr Milosevic's secondary objectives

18. Finally, the President has emphasised that the Dayton Peace Agreement brought peace to a part of the region Even though it is true that implementation of this agreement is slow and far from easy, there is no other choice but to continue working on it

(b) The refugee problem

19. When your Rapporteur visited Albania from 20-23 April 1999, a total of 365 000 refu-

gees from Kosovo had crossed the border into Albania since 24 March, of whom some 130 000 were in the region of Kukes near the border. Around 80 000 had found shelter with Albanian families while of the remaining 50 000, half were living in tents and the other half in the open air. Of the remaining refugees – some 240 000 – about 130 000 were living with Albanian families or in large buildings, where available, and tent camps

20 Since then, the number of refugees and deported persons has risen further and on 2 June UNHCR put their total number in Albania at 443 100 By mid-May 1999, some 120 000 were in and around Kukes. UNHCR estimated that of these 120 000, some 50% had found shelter in the homes of Albanian families, 40% in public and utilitarian buildings and 10% in tent camps in that region. In the Kukës region, refugees are under a permanent threat of Serbian bombing and incursions, while the KLA is actively recruiting young refugees for its forces UNHCR and NATO are therefore making efforts to convince refugees in the region of Kukes to move to other parts of Albania but only a few of them volunteer to do so

21 The Albanian Government is prepared to receive all Kosovar Albanian refugees, including those who, for various reasons, have come to Albania after initially having found shelter in Montenegro or FYROM. It does not want to impose a limit on the number of refugees it can take in but recognises that it needs the help of other countries, international organisations and NGOs to cope with the consequences of the refugee influx which is not only causing accommodation problems but also problems relating to infrastructure, public health, cleaning and supply

22 However, the policy of transferring Kosovar Albanian refugees from FYROM to Albania has recently been revised. Whereas the Albanian Government, NATO and UNHCR originally talked of some 60 000 refugees to be transferred. this figure has now dropped to 5 000 to 6 000 on condition that they leave FYROM on a voluntary basis Many refugees do not want to be transferred to Albania because this ruins their chances of a transfer to another country.

23 An international aid effort began very soon after the beginning of the massive refugee influx

into Albania, but there is no doubt that the early aid was not adequate to meet the needs of the unexpectedly high numbers of refugees. The government argues that Albania has the infrastructure and administrative structures to cope with the aid operation, but foreign organisations on the spot take a different view Inevitably, such shortcomings and disagreements on both sides did not facilitate the aid operation in its first weeks. However, it now seems that a pattern of cooperation between the Albanian Government and aid organisations is gradually developing.

24 A specific effort is being made to help the Albanian families who are accommodating refugees. Food for these refugees is distributed by the International Red Cross while the families receive $\notin 9.25$ a month per refugee with a maximum of $\notin 111$ per month. A budget of $\notin 7.4$ million has been earmarked for this operation

25. The Albanian Government has pointed out that the return of Kosovar refugees to their own territory may take a long time, even after the end of the present conflict. The refugees may even have to spend the winter season in Albania. which means that at an early stage preparations will have to be made for more protective shelter The Albanian national budget will need substantial financial aid from abroad because the numbers of refugees represent more than 10% of the total population and this has rapidly emptied the national coffers. Accommodating refugees in the homes of Albanian families can only be a temporary solution and for these refugees too, shelter will have to be provided in tents or other temporary lodgings.

26. The UNHCR representative in Albania praised the hospitality and generosity of the Albanian Government. He noted however that the government quite naturally would not be able to cope with this large-scale refugee problem without foreign assistance. While any form of shelter was welcome in the initial period, including public buildings and private homes, in the longer run well-organised refugee camps with adequate sanitary and other necessary facilities were the only possible way of accommodating the refugees until they returned to Kosovo. The assistance of the military in building camps was needed because they were the only ones who had the equipment and staff to do so at short notice. In Albania it was important to try to accommodate the refugees away from the border region with Kosovo, since in this area they were too exposed to the possibility of attacks by Serb units, forced drafting by KLA elements and exploitation by criminal gangs

27. Security in the camps is bound to pose a problem that will increase, given that the camps will be there for longer After a time, refugees will run out of money, boredom will take its toll and petty crime, rape, prostitution and other forms of exploitation will make their way into the camps. The Albanian police are already overstretched and both the UNHCR and NGOs with responsibility for the camps would therefore welcome the presence of an international police force to control the situation This task could easily be performed by MAPE, with an extended mandate and increased personnel. MAPE has experience in working with the Albanian administration and police and its knowledge of the country and local culture would greatly facilitate its work of ensuring security in and around the refugee camps.

(c) Multinational Advisory Police Element (MAPE)

28. In response to a request of the European Council which dates back to 22 September 1998. WEU undertook a feasibility study of the different options available to help the Albanian authorities to restore law and order in the country. On the basis of this study, the WEU Council adopted on 2 February 1999 a contingency plan for a police training and assistance operation in Albania. This plan was in its turn the basis for a decision of the European Council in early March 1999 to adopt a common action plan regarding the EU's contribution to the re-establishment of a viable police force in Albania³. WEU was formally asked to implement this plan.

29. The European Union's common action plan envisages the re-establishment of a viable police force in Albania by providing training and advice to the Albanian police, including direct assistance by teams of advisers. The EU action plan is part of and reinforces MAPE's mission as implemented by WEU. This training, assistance and advice mission will now be extended to include the provision of relevant advice to specific ministries (in particular the Ministry of Public Order), directorates and police districts. The MAPE mission's staff will be gradually extended to reach a total of 160 in March 2000. Altogether, 3 000 of the estimated total police complement of 13 000 should benefit from this training, while another 1 150 are being trained in complementary programmes conducted by individual EU member states.

30. The extension of MAPE's mandate is a sensitive subject. While some Albanian authorities are asking for an increased MAPE input, others would prefer its presence to be discreet in order to make it look as though the government is in control of the country. The new situation caused by the Kosovar refugee influx will no doubt create an urgent need for more assistance for a national Albanian police force which is lacking basic equipment to fulfil its task.

31 Among experts in Albania with thorough knowledge of the functioning of MAPE, there is a strong feeling that WEU headquarters is exerting far too much control over the mission which. over time, has degenerated into an example of disastrous micro-management. WEU headquarters should provide mission support and not try to play the role of head of mission, especially in the present situation where it does not have enough hands-on expertise for this specific police mission. The police expertise in Brussels needs to be reinforced if WEU is going to play a role in establishing new police structures in Kosovo A more flexible mandate would provide MAPE with much-needed opportunities to adapt to rapidly changing circumstances, an ability which is essential for the survival of any mission working in the present Albanian environment.

32. Visible presence of foreign military and also police forces on the territory is considered to be essential to reassure both refugees and the Albanian population for as long as the general situation in the country remains fragile. MAPE has already started to advise the Albanian authorities on the establishment of a special police force to provide security in the refugee camps The government has agreed to its recommendations but has a problem in financing such activities.

³ Denmark has declared that it will not participate in the EU common action plan because. In accordance with Section C of the European Council decision taken in Edinburgh (11 and 12 December 1992), it does not participate in the elaboration and implementation of decisions and actions of the European Union with defence implications.

33 There should also be more flexibility in filling MAPE's mission posts Countries should not insist on filling specific posts if they are not able to provide the appropriate candidates.

III. Bosnia and Herzegovina

34. Without claiming to be exhaustive, this chapter describes some of the recent developments in Bosnia and Herzegovina which enable a view to be taken on the present state of affairs and indicate the trend in the further implementation of the Dayton Peace Agreement

(a) Return of refugees and displaced persons

35 The right of all refugees and displaced persons to return freely to the property of which they were deprived in the war, remains one of the central issues in the implementation of the Davton Peace Agreement In the agenda it adopted in Madrid on 16 December 1998, the Peace Implementation Council (PIC) welcomed the fact that more than 140 000 people had returned to their homes from outside and within Bosnia and Herzegovina in 1998 It regretted that of the one million who were supposed to go back to minority areas, only 35 000 to 40 000 - far fewer than had been anticipated - actually returned to areas where they were an ethnic minority The PIC noted in particular that disappointingly few people returned to Republika Srpska and to their homes within the Federation The PIC further noted that there remained almost 31 000 refugees from Bosnia and Herzegovina in Croatia, 210 000 refugees from Bosnia and Herzegovina in the Federal Republic of Yugoslavia (FRY), as well as some 130 000 refugees in western Europe In Bosnia and Herzegovina there were still some 860 000 displaced persons

36 The Reconstruction and Return Task Force (RRTF), which operates across Bosnia and Herzegovina, has developed an action plan for 1999, envisaging 120 000 returns including 40 000 minority returns to Republika Srpska. It is expected, however, that the conflict in Kosovo will have a negative effect on the implementation of this action plan

37 It should be noted that many of the parties' obligations – under Annex 7 to the Peace Agreement – to create suitable conditions for return have not been fulfilled. The most successful returns have taken place in the areas where SFOR

was closely involved in the planning and implementation. The establishment of the RRTF/Bosnia and Herzegovina Consultation Group provides a high-level link between the RRTF and Bosnia and Herzegovina authorities. This plan also includes an intensive programme to address the key issues of space, security and sustainability.

38 At the same time, the United Nations Mission in Bosnia is implementing its Strategy on Return and Recruitment of Minority Police This strategy promotes, in particular, returns to key cities such as Sarajevo, Mostar and Banja Luka, while also urging the removal of all legislative and administrative obstacles to such returns Municipal authorities are plaving a vital role in fostering returns The High Representative has therefore decided to deploy a number of special envoys in municipalities in order to help speed up implementation of the Peace Agreement at the local level, depending in each case on urgent local requirements. It should be noted that there is a close link between progress in returns and progress in such vital issues as the rule of law and economic reconstruction.

³⁹ It is important to remember that one of the objectives of the Dayton Peace Agreement was to restore the multi-ethnic character of society in Bosnia and Herzegovina to what it had been before 1991 An Agreement on Refugees and Displaced persons⁴ forms part of the Dayton Peace Agreement (Annex 7) Article I of this annex stipulates that "All refugees and displaced persons have the right freely to return to their homes of origin" It further confirms that "The early return of refugees and displaced persons is an important objective of the settlement of the conflict in Bosnia and Herzegovina".

40 Almost four years after the signing of Dayton, however, Bosnia and Herzegovina is in fact divided into three ethnically "pure" areas, where each ethnic community represents more than 90% of the population Serbs live in Republika Srpska, Muslims or Bosnians in the Bosnian Republic and Croats in Herceg-Bosna, with the

⁴ Refugees persons who went to another country after leaving their home or having been expelled from it Displaced persons, persons who left or were expelled from their homes but stayed within the borders of Bosnia and Herzegovina.

latter two areas formally united in the Federation of Bosnia and Herzegovina. Only two cantons have a minority of over 10% Tuzla (13%) and Sarajevo (13%).

41 At the moment, the population of Republika Srpska, which occupies 49% of the territory of Bosnia and Herzegovina, is between 92% and 94% Serb. The remaining 6% to 8% is Croat or Muslim (between 70 000 and 100 000). Before 1991, some 1 million Croats and Muslims were living in that same territory. Out of this total of 1.2 million Serbs, some 350 000 have come from areas which are now inhabited by Croats and Muslims. Since 1995, only about 10 000 Muslims and 1 000 Croats – mostly elderly – have returned to Republika Srpska territory.

42. The Muslims, or Bosnians, occupy 32% of the territory of Bosnia and Herzegovina where they constitute over 90% of a population of 1.7 million. This includes the 350 000 or so Bosnian refugees who came from other, mainly Serb, areas and resettled in the Bosnian part of Bosnia and Herzegovina The Croats occupy 19% of the territory of Bosnia and Herzegovina where they constitute over 90% of its 420 000 inhabitants On 13 May 1999, UNHCR estimated that some 18 500 refugees from Kosovo had found shelter in the Federation of Bosnia and Herzegovina.

43. The Republic of Croatia now has a population of 4.7 million people. Between 200 000 and 300 000 of them are Croat refugees from Bosnia. It is estimated that some 300 000 to 330 000 Serb refugees from Croatia now live in the FRY, while another 30 000 to 35 000 Serb refugees from Croatia are living in Republika Srpska.

44 In summer 1995, Operation Storm led to the recapture of the Krajina by the Croat armed forces. Croats returned to their homes but some 180 000 to 200 000 Serbs fled the Krajina Only a few of the 50 000 Serbs who returned to Croatia post-Dayton actually returned to the Krajina.

45. In the course of the two-year UNTAES protectorate of Eastern Slavonia, 32 000 of the 86 000 Croats who had been driven out by the war were sufficiently confident to return More might have come back had there been jobs Of the 73 000 Serbs living there in 1991. however, 18 000 left during the UNTAES mandate Since

the mandate ended in early 1998, officially 1 200 Serbs leave every three months but the real figure is likely to be much higher.

46. Whereas before 1991 the Serbs constituted 12% of the population of Croatia, it is estimated that they now account for only 6%. The FRY also shelters some 220 000 Serb refugees from Bosnia

47. In a recent article, a Bosnian official pointed out that the promise of refugee return in the Dayton Peace Agreement has become a dead letter⁵. The non-implementation of the return of refugees and displaced persons has – in his view – also proved to be the greatest obstacle to peace and normality in post-Dayton Bosnia It has strengthened the influence of the radicals and the perpetrators of ethnic cleansing, encouraging them to continue with the disintegration of Bosnia and Herzegovina by stealth

(b) The rule of law and human rights

48. At its December 1998 meeting in Madrid, the PIC made it clear that building the rule of law, founded on an independent judiciary and a reliable police force, will be a top priority for 1999. It urged the High Representative to further develop a comprehensive judicial reform strategy plan, identifying short- and longer-term priorities, in consultation with the relevant authorities and international and other organisations

49 Among many other things, this plan should include the adoption, by 30 June 1999, of legislation to establish an independent and impartial judiciary, focusing on judicial and prosecutorial appointments and the promotion of a multi-ethnic judiciary throughout Bosnia and Herzegovina. Progress should be made on inter-entity judicial cooperation, including the signing of a Memorandum of Understanding on Inter-Entity Legal Assistance and the establishment of the Inter-Entity Legal Commission.

50. Essential property legislation facilitating returns has been adopted in Republika Srpska, but still has to be implemented fully. The PIC is also concerned by the slow progress in implementation of the property laws by authorities in the Federation.

⁵ Muhamed Sacirbey: "Applying the lessons of Dayton to Kosovo". *Wall Street Journal*, 26 April 1999.

51 At the beginning of April 1999, the High Representative extended the deadline for filing requests for the restoration of occupancy rights to state-owned apartments in the Federation to 4 July 1999 In the Federation, approximately 75% of abandoned apartments have now been reclaimed. The deadline for reclaiming apartments in Republika Srpska is 19 June, but the High Representative will extend it if the process of registering claims does not improve dramatically in the coming months

52. The swift and efficient implementation of legislation on new uniform registration plates and common vehicle registration has dramatically improved freedom of movement throughout the territory of Bosnia and Herzegovina

53. According to earlier PIC conclusions, all citizens of Bosnia and Herzegovina should have been in possession of new travel documents, under the relevant law, by 31 December 1998 However, the slow and bureaucratic application of the law has prevented many citizens from obtaining their new passports. The PIC has now extended to 30 June 1999 the deadline beyond which passports valid in the former Republic of Bosnia and Herzegovina will no longer be recognised by all PIC members

(c) Missing persons

54 Among the positive developments are those regarding missing persons and exhumations. There is improved cooperation between the Entities in the area of joint exhumations Great efforts in this field have also been made by the High Representative and by NGOs. in particular Physicians for Human Rights, the International Commission for Missing Persons and the International Committee of the Red Cross (ICRC) The PIC is now urging a stronger focus on the development of longer-term structures, to include improved assistance for the families of the missing, more effective tracing procedures and inter-Entity forensic cooperation It has also called for the establishment of mortuary facilities in Bosnia and Herzegovina capable of accommodating exhumed bodies and for the training of Bosnia and Herzegovina medical personnel in forensic medicine, so that the country has the means to continue this work independently in the longer term

(d) Persons indicted for war crimes

55 Since the inception of the ICTY (International Criminal Tribunal for the former Yugoslavia). 84 individuals have been publicly indicted in 25 indictments. Six accused have died, charges have been dropped against 18 others, one is serving his sentence, another has completed his sentence, and a third was acquitted. Currently, the total number of accused persons, pending arrest or pending completion of the proceedings is 58 in 22 indictments. Currently, arrest warrants are still outstanding against 31 persons accused of war crimes, while 25 accused are in custody⁶.

56 The Bosnians are cooperating with the ICTY. While Bosnian Croats have cooperated as regards the surrender of all but two public indictees, they have not complied fully with the Tribunal's orders that they turn over documents needed for the fair trail of a number of indicted persons

57. According to the PIC, some progress has been made in the cooperation of Republika Srpska with the ICTY but in December 1998 the PIC called upon the President of Republika Srpska to ensure that the country meets all its obligations to cooperate with the Tribunal Although the two indicted war criminals with the highest profile. Radovan Karadzic and Ratko Mladic, are still at large, their political and military influence has dwindled considerably.

(e) Demining

58. The continuing presence of mines and minefields on the territory of Bosnia and Herzegovina is one of the major obstacles to the return of displaced persons and refugees to their original homes. It is estimated that at present some 750 000 mines remain dispersed throughout the territory of Bosnia and Herzegovina, most of them laid close to the Inter-Entity Boundary Line along the former lines of confrontation

59 According to Article IV of Annex 1-A to the Dayton Peace Agreement, the signatory parties are responsible for the removal and destruction of all mines. Earlier Assembly reports have explained why too little progress is being made in this painstaking effort

60 Conscious of the relationship between progress in demining and the return of refugees. UNHCR developed a demining programme in 1998 in support of the countrywide programme

⁶ ICTY fact sheet, 12 May 1999.

to encourage ethnic minority return. This special demining programme implemented by UNDP started in March 1998 with the objective of handing it over to Bosnia and Herzegovina teams with a national sustainable capacity by the end of 1999 Demining teams, each consisting of 40 personnel, were drawn from Gorazde and Travnik in the Bosnian areas. Busovaca and Jajce in the Croat areas and Mrkonjic Grad and Pale from the Bosnian-Serb areas. Having followed a training course from March to May 1998, the teams started demining operations in the three open cities of Busovaca, Mrkonjic Grad and Gorazde and in a number of its minority municipalities UNHCR now hopes to draw on SFOR for support with demining equipment for its programme and to add a dog-search capability. UNHCR will also use commercial-hire company support for the rest of 1999

61 In the meantime, SFOR makes a contribution through proactive public education on the dangers of the landmines that remain and also helps to train and advise Entity Armed Forces demining teams and helps them obtain proper equipment. With SFOR's assistance, three mineclearance training establishments have been set up. Individual countries have donated protective equipment, ambulances, mine-clearance vehicles and funded the use of specially trained dogs.

(f) Military and security issues

62. The military situation in Bosnia and Herzegovina has stabilised and for a long time no incidents affecting the ceasefire have taken place. The arms control regimes established under Articles II (confidence- and security-building measures) and IV (arms reduction and limitations) of Annex 1-B to the Dayton Peace Agreement are being applied Even by October 1997. Bosnia and Herzegovina and the other parties were complying with the limitations imposed on battle tanks, armoured combat vehicles, artillery, combat aircraft and attack helicopters as mentioned in Article IV. The ratios for these armaments are 5:2:2 for the Federal Republic of Yugoslavia, Republic of Croatia and Bosnia and Herzegovina respectively. These armament levels have been respected since then A draft mandate for a regional stability agreement as mentioned in Article V has been approved Negotiations were due to begin in early 1999, but the Kosovo crisis has caused a delay.

63 On the other hand, it should be noted that the Entity Armed Forces remain substantially divided along ethnic lines Even the integration of the Federation Army - one of the conditions of the train and equip programme – is making very slow progress and does not extend to corps level units and below. The Davton Peace Agreement provides for the creation of a joint army of the Croat-Muslin Federation of between 30 000 and 35 000 professional troops, comprising three Muslim and one Croat armed corps The train and equip programme has, however, helped to integrate the Ministry of Defence and provide this entity with a credible deterrent capability However, it is unlikely that the target of full integration will be met by August 1999, as originally specified

64. At the same time, the Bosnian-Serb army continues its relationship with the army of the Federal Republic of Yugoslavia (FRY) while the Bosnian-Croat element of the Federation army maintains ties with Croatia However, limited resources considerably restrict the material support the FRY and Croatia can provide.

65. Altogether, it seems that each of the ethnic groups wishes to retain its own defensive capabilities in order to be able to defend itself in the event of a new crisis Mutual trust is still in a very early stage of development, if it exists at all.

66 In the annex to the Madrid Declaration of 16 December 1998, the PIC expressed disappointment that hesitation and delay were still hampering implementation of the agreement on confidence- and security-building measures and that, as a result, there has been a lack of real progress towards improving the level of cooperation and trust between the Entity Armed Forces and within the Federation army. It also noted the increasing divergence in doctrine and training between the Entity Armed Forces and urged that plans be drawn up in 1999 for a training and development programme common to all the armed forces of Bosnia and Herzegovina.

67. On 9 January 1999, SFOR seized military equipment from the Croat forces in Bosnia (HVO) in response to the unauthorised appointments of several HVO generals within the Federation army These appointments and promotions had been made by Ante Javelic, the Croat member of the Bosnian collegial presidency. On 8 January, SFOR had demanded that the appointments be immediately suspended until they had been approved by a committee headed by the SFOR commander, in compliance with the provisions in force since October 1998

68. From 16-23 January 1999, a programme of briefings and discussions was held at the NATO school in Oberammergau, SHAPE in Mons, NATO in Brussels, and the MoD in London, for high-level military and civilian authorities of Bosnia and Herzegovina, with the aim of restoring a climate of reciprocal confidence between those authorities.

(g) International arbitration over Brcko

69. Under Article V of the Agreement on the Inter-Entity Boundary Line (Annex 2 to the Davton Agreement), the Parties agreed to binding arbitration over the disputed portion of the Inter-Entity Boundary Line in the Brcko area. Arbitration was to be the task of one arbitrator appointed by the Federation, one appointed by Republika Srpska and one to be selected by agreement of the Parties' appointees If they could not agree, the third arbitrator would be appointed by the President of the International Court of Justice. The proceedings would be conducted in accordance with UNCITRAL (United Nations Commission on International Trade Law) rules and the arbitrators were to take their decision no later than one year from the entry into force of the Davton Peace Agreement

70 The position of Brcko is important since the town is situated on a narrow neck of land connecting the two halves of Republika Srpska. For the Muslims in Bosnia and Herzegovina, the river port of Brcko provides the only access route to central Europe via the Save and the Danube It is also an important road and rail junction Before its seizure by the Serbs in May 1992, Brcko had a population which was 44% Muslim, 26% Croat and 21% Serb. After the seizure, virtually all its non-Serbs were expelled or killed. The arbitration decision was postponed first in December 1996 and again in February 1997 when the town was placed under an international supervision team headed by the US diplomat Robert Farrand, who was also to oversee Brcko's ethnic reintegration Arbitration was further postponed until March 1998. The Municipal Statute was amended in order to establish a multi-ethnic administration, judiciary and police force in Brcko. All the political parties participated in the formation of these multi-ethnic bodies and some progress was made

71 On 15 March 1998, the arbitration panel for Breko, chaired by Robert Owen, decided yet again to defer final arbitration on the status of the town and its immediate surroundings until the end of 1998. Later, the decision was postponed until February 1999 Mr Owen argued that the general instability in the region and the rapidly shifting political scene in Republika Srpska justified this further delay.

72. In early 1999, the arbitration panel organised hearings so that the various parties could express their opinions. Muslims have suggested granting Breko neutral status, ruled by the Bosnian Federation under international supervision, with a referendum to be held at a future date to be determined. The Serbs are against this solution because they are a minority in the Bosnian Federation. They have suggested making Breko an international protectorate for a five-year period.

73. Up to 15 March 1998, the Brcko area was controlled by three ethnic groups, each responsible for different areas, with the Croats controlling Ravne/Brcko, the Bosnians controlling Brka. and the Serbs the town of Brcko and its immediate surroundings Minority returns within the boundaries of the Breko municipality have mostly been limited to the zone of separation, or to areas where the returnees are not in a minority The town police force has been nominally integrated, but in fact remains under the control of the local ruling Serb political party (SDS). In fact, there are three separate police forces in the Breko municipality one Croat-controlled force in Ravne/Brcko, one Bosnian-controlled force in Brka and the police force of central Brcko, theoretically under the control of the Ministry of Internal Affairs of Republika Srpska but in practice under that of the ruling local political party, the SDS. A similar separation applies to judges and municipal employees. It is quite plain that this situation has resulted in an environment that is not conducive to minority returns and merely confirms the results of ethnic cleansing.

74. On 5 March, the Brcko Arbitration Tribunal decided that the pre-war municipality of Brcko, which the Dayton Peace Agreement left divided between the two entities, would be reunified as a self-governing "neutral district". The north-eastern part of the municipality which was temporarily part of Republika Srpska, and the southern part, which had been Federation territory, are now held by both entities on a "condominium" basis with both having to surrender control to the new district government.

75 The new government of Brcko will be democratic, multi-ethnic – with an elected assembly, executive board, judiciary and police force – under Bosnia and Herzegovina sovereignty and subject to the authority of the Bosnia and Herzegovina central institutions. The decision to create a neutral district is also intended to allow all war-displaced persons and refugees to return to their original homes. Entity military forces will gradually be phased out of the district. The new arrangement will not impede any legitimate movement through the Brcko area and will, at the same time, ensure the territorial continuity of Republika Srpska.

76 The Tribunal once again emphasised the importance of the return of displaced persons and refugees to their original homes which hard-line nationalists in the district had hitherto prevented.

77. The arbitration award lays down severe penalties for any future non-compliance with the obligation to allow the return of displaced persons and refugees. If one party seriously obstructs implementation, the Tribunal has the authority to place the district under the exclusive control of the compliant entity.

78. Clearly the decision on the status of Breko cannot be implemented overnight. It is hoped that the new governing structures will be in place by the end of 1999 In the meantime, existing laws, policies and structures will remain and the present Supervisor. Mr Bill Farrand, will stay in post to oversee the transition.

79. The Parliament of Republika Srpska rejected the decision as inconsistent with the Dayton Peace Agreement and, in protest over the arbitration award, decided on 7 March that all Bosnian Serbs should be withdrawn from Bosnia and Herzegovina's state bodies The resolution, adopted by a clear majority, also made it clear that the Republika Srpska Parliament would not accept decisions made by Bosnia and Herzegovina's state institutions in the absence of the Serb representatives Prime Minister Milorad Dodik tendered his resignation in protest and appealed to international officials for a change in the arbitration over Brcko

80 Mr Dodik argued that the government of Republika Srpska had done as much as it could to cooperate with the international supervisor for Brcko by introducing multi-ethnic policing and a multi-ethnic local administration in order to meet standards laid down in the Tribunal's earlier interim decision After tendering his resignation, however, he remained in office as caretaker Prime Minister.

81. In response to representatives of the Office of the High Representative emphasising how much could be achieved by constructive engagement in negotiations on the annexes to the Breko decision. Mr Dodik withdrew his tender of resignation on 15 March

82 Prime Minister Dodik has succeeded in establishing a policy for Republika Srpska which is less dependent on decisions made by the government of the FRY and may even run counter to Belgrade's wishes if it is considered to be too much in Republika Srpska's own interest. He has managed to persuade Republika Srpska of the advantages of looking after its economic interests and winning international respect

83. On the other hand, it should be noted that Prime Minister Dodik, like most of his followers and compatriots, does not really believe in the Dayton Peace Agreement as a lasting and viable solution for Bosnia and Herzegovina With a negligible number of minority refugee returns having been implemented by his government, the massive international support he has does not seem justified, but it may well be that the international community is fully aware of the limits of what is feasible under the Dayton Peace Agreement The influence of former President Biljana Plavsic, who was defeated by Mr Poplasen in the last presidential elections, has declined

(h) Dismissal of President Nikola Poplasen

84 On 5 March 1999, after many months of open obstruction to the Dayton Peace Agreement. Nikola Poplasen was removed from office as President of Republika Srpska by the High Representative. Carlos Westendorp. The immediate cause of Poplasen's removal was his letter to the High Representative in which he rejected the latter's demands in connection with his own illegitimate attempt to unseat Republika Srpska's Prime Minister, Milorad Dodik.

85. Mr Westendorp has also given a number of other important reasons for removing President Poplasen, in accordance with the powers vested in the High Representative under Article 5 of Annex 10 to the Dayton Peace Agreement and confirmed by the PIC at its Bonn Conference on 10 December 1997 and its Madrid Conference on 16 December 1998.

86 Among many other transgressions, President Poplasen refused to consult the parties and coalitions in the Republika Srpska Parliament over the nomination of the Prime Minister and declined to nominate Milorad Dodik, the candidate who evidently had the support of the majority of the Parliament Through President Poplasen's manoeuvring. Republika Srpska has been left without a government legitimated by parliament for almost six months. President Poplasen also refused to sign legislation which had been duly and legally passed by majority vote in the Parliament and even attempted to provoke a government crisis by unconstitutionally attempting to unseat the caretaker Prime Minister.

87. Mr Poplasen's succession is guaranteed under the relevant provisions of Republika Srpska law These designate the Vice-President and, failing that, a replacement appointed in accordance with generally accepted practice. For the time being, however, it has not been possible to find a successor to Mr Poplasen

(i) Consequences of the Kosovo conflict in Republika Srpska

88 The Government of Republika Srpska has shown sympathy for the position of the FRY while stopping short of becoming involved in the conflict, although it may not succeed in distancing itself from it completely. As might have been expected, the population of Republika Srpska is hostile towards NATO's air strikes against the FRY and international organisations, fearing possible violence, have withdrawn their foreign staff members from Republika Srpska territory.

⁸⁹ The fact that SFOR troops have deliberately disrupted the railway line between Belgrade and Bar where it crosses the territory of Republika Srpska could be considered as a needless show of force, provoking hostility among the population of Republika Srpska. IPTF police officers in Republika Srpska are keeping a low profile because the Republika Srpska police have said they cannot guarantee their safety.

90 On the whole, it can be said that the situation in Republika Srpska is rather fragile, especially after the decision on Brcko and the escalation of the conflict in Kosovo. More than three years after the conclusion of the Dayton Peace Agreement. Republika Srpska has made very little progress towards the implementation of what Dayton was aiming to achieve.

(j) Reducing SFOR?

91. In December 1998, NATO decided to reduce SFOR strength by some 10% through rationalisation, restructuring and efficiency measures.

92 By 13 February 1999, the SFOR contingent was 32 700 strong with 30 500 troops in Bosnia and Herzegovina and the remaining 2 200 deployed in Croatia

93. NATO has justified the reduction on the ground that the military part of the Dayton Peace Agreement has now been fully implemented SFOR's mission to prevent a renewal of hostilities between the entities, provide a secure environment for the civilian population and transfer indicted war criminals to the ICTY in The Hague is continuing⁷. However, the reduction of SFOR's strength has not been implemented owing to the deterioration of the conflict in Kosovo in March 1999

(k) Assistance to Bosnia and Herzegovina

94. Before the PIC's Madrid Conference on 16 December 1998, the High Representative. Carlos Westendorp, said that the reconciliation programme in Bosnia and Herzegovina would have little meaning unless the West could get Bosnia's economy back on its feet. He suggested that targets should be set to reduce "absurd" military spending, with donors scaling down aid if the targets were not met

95. The European Commissioner for Aid Programmes. Emma Bonino, said that international assistance could "hardly be kept at the current high levels much longer"⁸. By the end of 1998,

Le Monde, 13 February 1999.

⁸ Financial Times, 16 December 1999

most of the US\$ 5 billion aid programme launched in 1996 had already been spent.

96. In view of the very negative impact of the Kosovo conflict on development in the region, the EU is now discussing the modalities for a "Stablity Pact for south-eastern Europe" of which Bosnia and Herzegovina will be one of the beneficiaries (see Chapter XII, section (*d*), paragraph 342 of the present report)

97. In conclusion, it is appropriate to quote Muhamed Sacirbey⁹ who recently insisted that the Dayton Agreement should be maintained and that the international community should remain committed to its implementation. In particular, three pillars of the Agreement should be bolstered: the return of all refugees, full cooperation with the ICTY in The Hague and the supremacy of the constitution of Bosnia and Herzegovina, the objective of which is to create a secular, liberal democratic European state.

IV. Bulgaria

98. In the opinion of the Bulgarian Government, the Kosovo crisis has extremely adverse consequences for the economy of the country. These result not only from the UN embargo against the FRY, which has always been one of Bulgaria's most important trading partners, but also from the fact that foreign investors are reluctant to invest in the region, which they still consider to be unstable Prime Minister Ivan Kostov recently¹⁰ estimated the losses to his country since the beginning of the Kosovo war to be about US\$ 33 million owing to the traditional trade route through Yugoslavia being cut off and commercial traffic along the Danube paralysed. A trade embargo against Yugoslavia would obviously place a further burden on the economy Such prospects are naturally distressing to a government and country that at last seemed to be on the point of an economic upturn, with healthy growth (4-5%). low inflation (11%) and government finances showing an improvement (economic indicators at end 1998).

99. The Bulgarian Government succeeded in stabilising the economic situation in 1998 and

growth was expected for 1999. Inflation dropped to 1% and GNP went up by 4-5%. The government also introduced fiscal reforms which increased state revenue by 10%.

In terms of all foreign trade, Bulgaria's 100 exports of goods to western Europe, which account for more than 50% of its total exports. have to pass through Romania, but only one bridge across the Danube connects Bulgaria with Romania despite the fact that the border between the two countries is over 1 000 kilometres long. After many years of negotiations, they have not vet agreed on the location of a second bridge Foreign trade and - as a consequence - state earnings have diminished Foreign investment has decreased and the parallel economy is taking off again, although government officials claim the state has succeeded in exercising more control over criminal commercial activities.

101. On the other hand, some experts argue that the conflict in Kosovo is not the only reason for a stagnating economy. They say that the economic and administrative structures are not yet flexible enough for quick adaptation to a changing environment. While foreign companies in Bulgaria manage to cope with rising transport costs, Bulgarian companies cannot because they continue to work with old and outdated management procedures. The big, old state companies have not yet been privatised and, as in many other countries in the region, many privatisations have not been implemented because of the far-reaching social consequences of such decisions.

102. Bulgaria is therefore in favour of the international community's active involvement in finding a peaceful and lasting solution to the conflict in Kosovo and is prepared to make a contribution to that end. It should be noted too that the majority of the population (65% according to an opinion poll in late April) are opposed to the bombing¹¹.

103. President Stoyanov argues that the conflict in the FRY should prompt the EU to establish appropriate mechanisms to help the region – a sort of Marshall plan, with support for joint projects, which would open up the Balkans to Europe EU member states should guarantee private investment in the region and invest in much-needed infrastructural improvement

⁹ Muhamed Sacirbey: "Applying the lessons of Dayton to Kosovo", *Wall Street Journal*, 26 April 1999.

¹⁰ Le Monde, 5 May 1999.

¹¹ Financial Times, 30 April 1999.

On 4 May 1999, the Bulgarian Parliament 104 voted in favour of opening up Bulgarian airspace for NATO's air operation against the FRY. notwithstanding the fact that popular feeling within the country was highly critical of the move, for fear of Bulgaria being drawn into a conflict which it was hoped could be ended as soon as possible. The government has always supported the Contact Group's policy on the Kosovo crisis and is, as President Stovanov stated in a recent interview "on NATO's side against the inhuman regime of Slobodan Milosevic" Having been hostage to President Milosevic's policy for over seven years. Bulgaria reckons it has now had enough¹².

105 The conflict in the FRY is isolating Bulgaria from western Europe economically and discouraging foreign investors. President Stoyanov has argued that the Milosevic regime would not have lasted as long as it has if, from the outset. Europe had had a clear programme for creating a belt of democracy, prosperity and security in its south-castern regions

106. Before the start of the second round of the Rambouillet negotiations on 15 March 1999, the Chairman of the Bulgarian Parliament's Foreign Affairs Committee, together with his counterparts from the parliaments of FYROM, Hungary and Romania, planned to visit Belgrade to try and convince the Yugoslav Parliament and public opinion in the FRY that the agreement proposed by the Contact Group, which included provision for a NATO peacekeeping force on FRY territory, was the only acceptable solution. This initiative failed because of the Serb refusal to receive the delegation. That same week, the Bulgarian Minister for Foreign Affairs visited FYROM and Albania to discuss the Kosovo crisis among other things A further move in their efforts to present a common front in the Kosovo conflict was the message sent by the Presidents of Bulgaria, Hungary and Romania to President Milosevic before 15 March, urging him to accept the Rambouillet proposals. President Milosevic has clearly shown that he is not interested in advice from his counterparts in neighbouring countries

107. A very important and positive development in Bulgaria's relations with FYROM took place with the signature of a declaration and a number of agreements between the two states which put an end to a long-standing dispute over national languages and also included a Bulgarian donation of a large number of battle tanks and other military equipment to FYROM.

108. Bulgaria has good relations with both Turkey and Greece. In order to improve ties generally between the countries of the region, a number of issues are now being discussed in tripartite meetings between Bulgaria, Romania and Turkey and Bulgaria. Romania and Greece. It is hoped that this procedure may lead to constructive *rapprochement* and a four-way discussion forum being established

109. Bulgaria takes a very positive approach towards security and stability in the region, without trying to stand apart from its neighbours This should be borne in mind by both NATO and WEU. Problems in other countries of the region should not be allowed to have an adverse influence on Bulgaria's further integration in European and western organisations.

V. Romania

110. Since the fall of communism. Romania has adopted a markedly pro-Western stance, with membership of NATO and the European Union as the cardinal aims of its foreign policy. There is however a feeling – reinforced after the Washington Summit of which more was expected – that the West, NATO in particular, does not respond to the extent it should

111. Successive presidents and governments have consistently pursued this policy which inter alia has helped significantly to enhance relations with strategically important neighbours such as Hungary and has contributed to a remarkable improvement in the degree of integration of the country's minorities in the life of the nation - the involvement in government of a party representing Romanians of Magyar origin being obvious proof. In addition to this general strategic orientation, mention should also be made of the massive endeavour of the present government to liberalise an economy still burdened by a past legacy of unproductive industry and clumsily collectivised agriculture Nevertheless, such efforts to modernise have not produced the long-desired economic upturn (growth -6% in 1997, -4% in 1998, and inflation remaining at over 50%). One

¹² Le Monde, 2-3 May 1999.

possible reason is that the government – although elected by a clear majority – has not managed to secure widespread support for its reform efforts In an opinion poll organised by the Soros Institute, 51% of the sample thought that their situation had worsened since 1989. The social unrest of recent months also points to the same conclusion. Moreover, the economic situation is bound to become even more difficult, at least for a while, because of the present conflict in Kosovo. The Romanian authorities estimate that, since the start of the bombings, the country has been losing US\$ 50 million a week through direct loss of trade and owing to traffic on the Danube being paralysed¹³.

112. Moreover throughout the successive crises in south-eastern Europe. Romania has actively co-operated with UN. WEU and NATO efforts. the most obvious examples being the embargo on the Danube (UN and WEU) and the MAPE mission to Albania (WEU). Romania readily gave permission for NATO planes to use its airspace in the context of their operations against Yugoslav targets Nevertheless, having, like other Balkan countries, every economic and political reason to fear the prospect of a general destabilisation of the region, especially one connected with the position of ethnic minorities. Romania is naturally against any change in Balkan frontiers and would clearly prefer to see the present crisis end as soon as possible.

113. It should however be noted that in Romania, with a large Orthodox majority and a history of alliances with the Serbs, public sentiment is not in favour of crushing Yugoslavia, even with Mr Milosevic at its head A recent poll showed that two-thirds of the population were against the bombings – although 52% were in favour of intervention in Yugoslavia.

VI. Croatia

114. Since Croatia is one of the co-signatories of the Dayton Peace Agreement, the political situation in that country has a bearing on the implementation of that agreement and on the state of affairs in Bosnia and Herzegovina. 115 An earlier Assembly report¹⁴ on the Balkans mentioned that in February 1998 President Tudjman still appeared to be suggesting that the establishment of a wider Croatian state, which would include Bosnian territory, remained a legitimate national aspiration According to many observers, this cast "serious doubt upon Croatia's commitment to the territorial integrity of Bosnia and Herzegovina and its willingness to include ethnic Serbs and other minorities as full and equal members of Croatian society". Since then, the situation has not greatly improved

116. A recent report by the Organisation for Security and Cooperation in Europe (OSCE) has strongly criticised Croatia The report notes that there has been no progress in improving compliance with human rights, the rights of minorities and the rule of law in Croatia.

117. The report mentions in particular the repression of the media by the Croatian Government, its lack of cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) and the harsh treatment of ethnic Serbs Only a small percentage of the 300 000 or so ethnic Serbs expelled from their homes during the war have been allowed to return.

118. The Council of Europe too recently expressed strong criticism of the attitude of the Croatian authorities in the treatment of its ethnic minorities and towards the return of refugees (Serbian for the most part) to their homes in Croatia. Hence, in its report on the "Return of refugees and displaced persons to their homes in Croatia¹⁵ the Committee on Migration, Refugees and Demography of the Assembly of the Council of Europe notes "continuing insecurity in the regions of return, including harassment, intimidation and the presence of landmines (.) difficulty for those wishing to return to obtain the requisite citizenship and travel documents from the Croatian authorities" and recommends, inter alia, that the Government of Croatia "ensure the security of returnees by means of effective multiethnic policing and immediate, thorough investigations of all security incidents (...)". It also asks for the urgent amendment or repeal of discriminatory legislation and for resolute action to be

¹³ Le Monde, 27 April 1999.

¹⁴ Assembly Document 1608, 13 May 1998, Rapporteur Mr Blaauw.

¹⁵ Document 8368. 9 April 1999, Parliamentary Assembly of the Council of Europe

taken to resolve cases of illegal occupancy Discrimination against the Italian minority in the Croatian territory of Istria has also been strongly condemned by a group of members of the Council of Europe Assembly¹⁶ who report pressures being put on leading figures among the Italian minority and urge the Croatian Government to take the necessary steps to honour its commitments in its treatment of the Italian minority.

119. Human Rights Watch's "World Report 1999" mentions a large number of shortcomings in the Croatian authorities' policy in the field of human rights. Like many other organisations, Human Rights Watch draws attention to the many different hurdles which make it very difficult, if not impossible, for refugees to return Among other things, it notes discrimination against Serbs in housing and extensive legal and administrative discrimination against them when they try to obtain documents and pensions. The report also provides examples of the tenuous freedom of the press and other media and the vulnerability of the right to free assembly in Croatia.

120. In its report, Human Rights Watch also notes that Croatia's process of accounting for war crimes remains a matter of serious concern. It says that confusion about the law on general amnesty and politicised war crimes trials continue to be a source of insecurity for Serbs living in Croatia and an impediment to the return of refugees. Mention is made of irregularities in the conduct of war crimes trials. leading to suspicions that prosecutions have been politically motivated Severe restrictions have been placed on the monitoring of such trials by OSCE and UN representatives

121. A report on human rights published by the US State Department at the end of February 1999, describes Croatia as "nominally democratic" but "in reality authoritarian"¹⁷.

122 There are strong indications that the governing Croatian Democratic Union (HDZ) has become even more radicalised. In an internal power struggle, the party's hardliners – who favour a nationalist and xenophobic policy – have got the upper hand The moderates in the HDZ are now isolated, but increasing social discontent and a number of scandals in the HDZ have led to a sharp decline in popular support for the governing party.

During the war in Bosnia and Herze-123 govina, the Croatian Defence Ministry (MORH) played an important role in secretly helping to meet Croatia's armament requirements and sell weapons produced by Croatian arms manufacturers to other countries. The Defence Ministry also provided the Bosnian Croats and their armed forces with significant assets When the hardline Defence Minister Susak died in May 1998, he was succeeded by Andreja Hebrang, who intended to reform and rationalise the Ministry in order to adapt it to peacetime requirements This plan met with strong resistance from the Herzegovinian lobby in the HDZ supported by the hardline Ivic Pasalic, President Tudiman's adviser on internal affairs, and the President himself Finally. Defence Minister Hebrang was forced to resign in October 1998.

124. October 1998 also saw the resignation of Mr Sarinic as Head of the presidential office and Mr Greguric as presidential adviser on Bosnia. These important and relatively moderate HDZ members had alleged that the military counterintelligence service (SIS) had been used as a political instrument by the party's right wing, but they were repudiated by the HDZ when they could not provide concrete proof of their allegations.

125 Opinion polls would appear to suggest that a coalition of six opposition parties would stand a chance of defeating the HDZ in the 1999 elections. An electoral victory for them may have positive consequences for Bosnia and Herzegovina because of their more constructive attitude towards their neighbour

126. Despite the criticism contained in many reports as regards developments in Croatia and the behaviour of its government, both the EU and the United States appear to temper their judgment of Croatia's President Tudjman on the grounds that his cooperation is vital to SFOR operations in Bosnia. Western countries are also concerned that criticism, if too harsh, would help hardliners in the HDZ to get the upper hand in their struggle against the moderates in the party

¹⁶ See Document 8273, 30 November 1998, Parliamentary Assembly of the Council of Europe

¹⁷ International Herald Tribune, 4 March 1999.

over who is to succeed Mr Tudjman as party leader.

127 Finally, one positive development that should be mentioned is landmine clearance, which may help restore normality by removing another obstacle to the return of refugees.

128 A request from the European Council for a WEU action force to remove landmines has been approved by the WEU Council. The corresponding agreement, which was signed in Brussels on 22 April 1999, between the WEU Secretary-General, the Permanent Representative of Germany and the Foreign Minister of Croatia defines the main task of the WEU Demining Assistance Mission in Croatia as assistance and advice to the appropriate authorities The Council has designated Sweden as the pilot nation for the project

129 This WEU mission, which started work on 10 May 1999, will last for ten months. It consists of nine military experts from the following countries Austria. Belgium, Bulgaria. Finland, France, Germany, Italy and the lead nation Sweden. These experts provide advice, technical expertise and training support to the Croatian Mine Action Centre (CROMAC).

VII. Hungary

130 Of the three new NATO members, Hungarv undoubtedly finds itself in the most delicate position. Only a few weeks after joining NATO. the Alliance - and Hungary with it - has become engaged in an armed conflict against its southern neighbour Although not bound to it by ties of religion or traditional friendship as other countries in the region are, it is nonetheless linked to Serbia by geography and through some 300 000 ethnic Hungarians, who live in the Serbian region of Vojvodina. The plight of this large minority, involved in the conflict both as recruits of the Serbian army in Kosovo and as victims - accidental or otherwise - of intensive NATO bombing, is naturally of capital importance to Hungary's attitude. Thus the Hungarian Foreign Minister expressed his country's distress at the NATO bombing of the Vojvodinan town of Subotica which has a mainly Magyar population¹⁸ Moreover, the Hungarian Government, having readily agreed to the use of its airspace by

NATO warplanes and its military bases by NATO forces, has refused to allow Hungarian soldiers to be involved in the operations. Nonetheless, the importance of using Hungarian airspace from which NATO AWACS aircraft are also operating is obvious. Speaking to the press, the Commander of Hungary's armed forces, General Fenenc Vegh. confirmed that his country gives only indirect support to NATO in anti-Serb operations, although Hungarian lovalty to NATO should be regarded as unwavering¹⁹ Deep anxiety for the fate of the Vojvodina Hungarians. alongside commitment to NATO action, was also expressed by the Hungarian authorities during the President of the WEU Assembly's official visit to the country on 12-13 April 1999.

131 Recently, the Foreign Minister of Hungary, János Martonyi, declared that "if the general conditions to attain a settlement of the conflict in Kosovo are met, then the autonomy of Vojvodina must be on the agenda". On the other hand, the suggestion about making Vojvodina a small sovereign state was rejected by the government²⁰.

132 However, strong support was also expressed for Europe's efforts to resolve the current conflicts and lay the foundations of lasting peace and stability in the region. This policy of supporting NATO without participating in air strikes on Yugoslavia was again confirmed by the Hungarian Prime Minister at the beginning of May^{21} .

133 Moreover, in early April a largely Russian convoy trying to pass through Hungarian territory to deliver aid to Serbia was blocked by the Hungarian authorities, who in the end allowed it to continue to its destination with just the appropriate quantity of fuel needed for the convoy to travel to Belgrade and back home again.

134. On 5 May, NATO announced that it would deploy 24 F-18 combat aircraft and a number of KC-135 refuelling aircraft and C-130 transport aircraft. The aircraft would start to arrive on 10 May at the Taszar airbase (90 kilometres from the FRY) which is the logistic base for the US troop contingent in Bosnia since 1995.

¹⁹ The Wall Street Journal, 26 April 1999

²⁰ Le Monde, 13 May 1999

²¹ Financial Times, 4 May 1999

¹⁸ The Economist, 24 April 1999

135 The Hungarian Ministry of Foreign Affairs stated at that time that "no Hungarian soldier would go into Yugoslav territory, not even in the framework of a peacekeeping effort"²² The opposition Socialist party announced its intention to table a motion in parliament which would limit NATO access to Hungarian military bases.

VIII. FYROM

136 As earlier developments in FYROM were highlighted in recent Assembly reports, the following paragraphs concentrate on the more recent developments in this multi-ethnic state.

137 Parliamentary elections were held on 18 October and 1 November 1998. These elections resulted in 49 seats for the Internal Macedonian Revolutionary Organisation - Democratic Party for Macedonian National Unity (VMRO-DPMNE) led by Ljubco Georgievski, 13 seats for the Democratic Alternative (DA) led by Vasil Tupurkovski. 27 seats for the Social Democratic Union of Macedonia (SDSM) led by the former Prime Minister, Branko Crvenkovski, 14 for the Party of Democratic Prosperity, an ethnic Albanian party led by Abdurrahman Aliti which had been in a government coalition with the SDSM for the past six years, and ten for the Democratic Party of Albanians (DPA) led by Arben Xhaferi. The Liberal Democratic Party (LDP) won four seats

138 The new government, a coalition in which the VMRO-DPMNE has 14 ministers, including Prime Minister Georgievski, the DA eight ministers and the DPA five, was given a vote of confidence by the parliament on 30 November 1998

139. Prime Minister Georgievski has given two reasons for including the ethnic Albanian DPA in the government coalition. In the first place, it was to demonstrate that FYROM is determined to become a factor for stability in the region and stop being a subject of concern to the international community. Secondly, this step was taken to secure internal stability and security.

140. In FYROM, top priority issues for the present government are the status of the ethnic Albanians, economic reform and reconstruction and the reform of social welfare, but it seems

(a) Economy

141. Economic reform and reconstruction is clearly the main issue for the present government. In mid-1998, the unemployment rate was 28% and until now there has been no foreign investment of any significance. The Prime Minister has promised that the privatisations brought in under the previous government will be reviewed. There have been allegations that favouritism, cronyism and corruption have played a major role in such privatisations

142. According to the new government, the shares of companies which do not fulfil their obligations towards the state will be floated on the stock market, public utility companies will be privatised and privatisation will be made more attractive to foreign capital. The government has pledged to bring the unemployment rate down to 15% in 2002 by reducing public spending in certain fields and by stimulating economic development.

143 By creating a better legal framework, reducing tax, cracking down on corruption and extending ownership guarantees, the government hopes to be able to attract more foreign investment Fighting corruption in government and industry will be impossible without putting an end to the practice of political favouritism and cronyism which seems to be such an endemic evil in the Balkans that it is virtually impossible to stamp it out. The government's Plan for Reconstruction and Development is supervised by an Agency for Reconstruction and Development, headed by Vasil Tupurkovski.

144. In order to achieve economic reconstruction, the government will also have to make major improvements in the country's infrastructure which at the moment is seriously deficient

145. FYROM has had problems in developing its economy since independence This is partly due to the reluctance of the government to introduce legislation which could attract foreign investors and make the economic reforms which are badly needed in the field of privatisation and banking Serious economic problems have also been caused by the international economic em-

likely that it will not deal seriously with these issues until after the presidential elections in 1999 Local elections are planned for the year 2000.

²² Le Monde, 7 May 1999

bargo against the Federal Republic of Yugoslavia (FRY) and by a similar embargo imposed by Greece because of a dispute over the name, flag and constitution of the country. Both these countries have always been FYROM's most important trading partners.

146 The Greek economic embargo ended in September 1995 when FYROM and Greece signed an interim agreement on the abovementioned dispute In March 1999, Greece and FYROM agreed to build a pipeline to carry crude oil from the Greek port of Thessalonika to a refinery near FYROM's capital. Skopje At the same time, Greek companies bought a majority stake in FYROM's state-owned oil refinery and are to invest in its modernisation. (The pipeline will later be extended to Belgrade.) This US\$ 150 million pipeline project will be the biggest foreign investment in FYROM since it became independent in 1991²³.

147 The conflict in Kosovo and the resulting international economic embargo against the FRY are, however, causing very serious economic problems for FYROM. The FRY used to be FYROM's most important trading partner but because of the embargo and the fighting in Kosovo, economic exchanges between the two countries have come to a complete standstill. The government of FYROM also notes that the main transit route for its export goods to western Europe through the FRY has been closed, while alternative routes are longer, more expensive and therefore not feasible for most of FYROM's export trade. Experts argue that the modest economic growth originally forecast for 1999 will in actual fact turn out to be into a recession of possibly 10% of GDP

148. Factories are closing down through lack of raw materials and sales, and the state treasury is depleted because of lower tax revenues and unexpected costs due to the accommodation of a huge influx of refugees from Kosovo. Pensions and salaries of public servants and state-owned company workers are being paid with arrears and there is even less money for social benefits and public health.

149 According to some estimates, the economic recession may already have resulted in an unem-

ployment rate of 40-50%²⁴ All these negative developments are causing dissatisfaction among the population which could easily turn into social unrest if no appropriate measures are taken, combined with generous and rapid financial and technical support from abroad and in particular from western European countries.

(b) Inter-ethnic relations

150. So far, the new government has not unveiled its plans for the status of the Albanian minority. The Prime Minister has pledged to "confront all expressions of intolerance, chauvinism and segregation" and has said that his ultimate goal is to protect both the ethnic and cultural identity of national minorities and the integrity of the state. The government plans to comply with all international requirements regarding human rights and civil liberties

151 The main demands of the DPA's political leader. Arben Xhaferi, regarding the status of Albanians have always been that ethnic Albanians be recognised as a constituent nation and that they be given the right to tuition in their own language at all levels. In addition, he wants Albanian to be introduced as a second official language and ethnic Albanians to be given proportional representation at all levels of the state administration, including in the police, armed forces and the management of public enterprises.

152. The first demand for the Albanians to be recognised as a constituent nation is certainly the most difficult to fulfil and may prove impossible In the preamble to the current constitution, Macedonia is defined as a "national state of the Macedonian people, in which full equality as citizens and permanent co-existence with the Macedonian people is provided for Albanians. Turks, Walachians, Roms, and other nationalities living in the Republic of Macedonia" Any proposal to change the constitution to meet the Albanians' demand would be criticised by the other minorities and by the Macedonian majority

153 A proposal to accord to Albanian the status of a second official language will most probably meet with similar large-scale resistance. According to Article 7 of the Constitution of FYROM, minority languages can currently be

²³ Financial Times, 17 March 1999.

²⁴ International Crisis Group, "Macedonia. towards destabilisation?", 17 May 1999.

used alongside Macedonian at a local level in the state administration where ethnic minorities constitute the majority or a significant minority of the population. The introduction of Albanian as a second official language at all levels may be justified for reasons of stability in the country, but it might also pose considerable problems for an already top-heavy bureaucracy

154 The issue of flying minority flags, which in June 1997 led to serious clashes in Gostivar and Tetovo, has lost much of its importance in the light of a recent Constitutional Court ruling. On 18 November 1998, the Court ruled that the June 1997 law stipulating that minority flags could be flown on public buildings only on certain public holidays and alongside the Macedonian flag, was not in line with the national Constitution or the European framework convention for the Protection of National Minorities. Currently, the display of flags other than the national flag of FYROM on public buildings is not regulated by any legislation.

155 In December 1998, the parliament passed an amnesty bill which made it possible to release the mayors of Gostivar and Tetovo and other ethnic Albanian politicians from prison in early 1999.

156 Ethnic Albanians consider university tuition in their own language a key to achieving social and economic parity with the Macedonian majority. At present, the national university in Skopje only offers education in the Albanian language in its Pedagogical Faculty in order to train teachers for Albanian-language primary and secondary schools In December 1994, the ethnic Albanians founded their own university in Tetoyo, which is not recognised by the government but which continues to operate. The new government has not vet made any proposals regarding the ethnic Albanian university but on 30 November 1998 the Prime Minister declared that it would "create conditions to open foreign faculties without the participation and financial support of the state as is done in the highly developed countries". The ethnic Albanians, however, continue to demand that their Tetovo university be legally recognised as a state university and there are reports that this may happen after the presidential elections scheduled for autumn of 1999

157. Proportional representation of ethnic Albanians in the state administration of FYROM and in state-owned and public enterprises is an important issue and meeting this ethnic Albanian request seems justified, not least because its implementation could help to defuse tensions and promote stability in the country. Nevertheless, immediate full implementation will not be easy The public sector is already too big and any further extension would lead to increased spending which the state cannot afford. The government, however, is aware of the problem and is appointing ethnic Albanians to important and sensitive positions such as the Police Chief in Tetovo²⁵.

158. Although Albanian politicians in FYROM naturally show solidarity when it comes to the fate of the Kosovar Albanians in their conflict with the government of Serbia, they have little sympathy for the idea of a "Greater Albania". Albanians in FYROM are well aware that they form the most prosperous Albanian community in the region. The DPA has given up its threat to declare autonomy and seek union with Albania. As part of the centre-right coalition government, which has publicly pledged to promote equality for the ethnic Albanians, it is confident of achieving progress on the issue of autonomy as regards language, education and local government.

(c) Foreign relations

159 For obvious reasons, the accession of FYROM to the European Union and NATO can only be a long-term objective.

160. Before joining the EU, the country would have to undertake major economic and legal reforms and further improve relations with Greece. As regards NATO, some progress is being made as a result of FYROM's active participation in NATO's Partnership for Peace programme Because of its strategic position in the region, the extraction force for the Kosovo Verification Mission was deployed on FYROM territory. NATO forces are also deployed on its territory in preparation for a possible military force to control the implementation of an agreement between the government of the Federal Republic of Yugoslavia and the Kosovar Albanians.

²⁵ Wall Street Journal, 31 May 1999.

161. As regards relations with the neighbouring countries, Mr Georgievski's government has promised a balanced regional policy based on friendly relations and close cooperation with all four neighbours. Due to the present political situation, however, relations with Bulgaria and Greece may well become logical priorities.

Bulgaria

162. When FYROM became independent in 1991, Bulgaria was one of the first to recognise its existence as an independent state although, at that time, it did not recognise the Macedonian people or language, which it considered to be a west Bulgarian dialect. Bulgaria and FYROM put an end to many years of dissension over their respective national languages when, on 22 February 1999, the Bulgarian Prime Minister, Mr Kostov, and the Prime Minister of FYROM, Mr Georgievski, signed a declaration to the effect that neither country has any territorial claims against the other The declaration is drafted in two languages, Bulgarian and Macedonian, indicating that Bulgaria has implicitly recognised the Macedonian language.

163. The joint declaration was accompanied by a number of agreements on economic and financial cooperation, the construction of motorways, other infrastructure projects and military cooperation.

Greece

164. Good relations with Greece are of utmost importance for FYROM, not only because they can help develop the national economy, but also because Greece is the only neighbouring country which is a full member of both the EU and NATO. An interim agreement between FYROM and Greece was signed in September 1995 in which Greece undertook to lift its economic embargo while FYROM agreed to change its flag and national emblem. It also agreed to amend the preamble to its Constitution, which referred to a Greater Macedonia, and Article 7 referring to FYROM's commitment to protect Macedonian national minorities living in other Balkan countries

165. The UN-brokered negotiations on a new name for the Republic of Macedonia, which Greece refuses to recognise, have not yet resulted in an agreement, but there are signs that a breakthrough may be reached very soon

Albanıa

166 According to the present government. FYROM's relations with Albania are in good shape, especially since the socialist government under Prime Minister Nano took over from the Democratic Party and President Berisha stepped down. This positive trend continued after Mr Nano was succeeded by Mr Pandeli Majko. More than 14 bilateral agreements have now been concluded, including agreements on the recognition of a common border and on economic cooperation. It was emphasised, however, that Albania still needs more international support and assistance to control its borders and the country as a whole. The Government of FYROM shares the Albanian Government's opinion that a solution to the status of the Albanian minority in FYROM should be found within the existing borders.

The Federal Republic of Yugoslavia (FRY)

167. Relations with the FRY are at a low. The common border between FYROM and the FRY has still to be delineated and despite the fact that talks have been going on for many years, a final settlement is not expected in the near future

168. The deployment of NATO's extraction force and of more NATO troops for a possible peacekeeping operation in Kosovo has led to a further deterioration in bilateral relations. At the end of February, the FRY started deploying troops and security forces at the border between Kosovo and FYROM, preventing Kosovar Albanians from crossing the border into FYROM, and it was apparently prepared to stop any attempt by NATO forces to cross the border into Kosovo. The main road between Pristina and Skopje was closed and mined at the border. The Serb community in FYROM has protested strongly over FYROM's policy of supporting NATO.

169. The events that followed the start of NATO air strikes against the FRY are only too well-known. The huge numbers of refugees from Kosovo who began flooding into FYROM in early March soon increased to dramatic proportions. The government in Belgrade was well aware that the organised deportation of the majority of the Kosovar Albanian population could have a destabilising influence on the internal situation in FYROM, especially given the pre-

carious relations between the ethnic Albanians and the Macedonians in the republic.

170 Suggestions in the media that the governments of FYROM and the FRY had a secret agreement on the flow of refugees cannot be given credence if only because the government of FYROM would lose its credibility both inside the country and in its relations with the countries from which it expects support and assistance

(d) Refugees in FYROM

171 In early 1999, the Government of FYROM took steps to regularise the situation of Albanian refugees from Kosovo who had crossed the border after violence erupted in March 1998. In February 1999, the government announced that all persons coming from Kosovo should register within 15 days at the local offices of the Ministry of the Interior Those registering would receive an identity card confirming humanitarian protected status for three months, with the possibility of an extension. The government also stated that it could temporarily handle up to 20 000 refugees from Kosovo Reception centres would be set up at the border, from which people would be transferred to other destinations. The Government provided funds for accommodation, whilst food and clothing were provided by the UNHCR and other humanitarian agencies

172 The Ministry of the Interior estimates that in 1998 some 6 000 Kosovar Albanians found shelter in FYROM. Most of those who crossed the border into FYROM were able to find shelter with relatives They intended to return to their own country as soon as the situation stabilised.

173. The situation in early 1999, which the government of FYROM was able to manage on its own, took a dramatic turn in March with the determined policy of the FRY to track down and deport the majority of the Kosovar Albanian population to neighbouring countries. Refugees started to pour in by tens of thousands.

174. On 2 June 1999, UNHCR estimated that refugees who had entered FYROM since March 1998 and still remained in the country numbered 248 400, representing more than 11% of the population Of this number, 109 800 were accommodated in camps, while an estimated 138 600 were living with host families and elsewhere 175. In early May, the FYROM government authorities declared that they would continue to allow in a number of refugees equal to the number to be evacuated to third countries. In response to these repeated and urgent requests of the FYROM Government. UNHCR established a humanitarian evacuation programme which enables refugees to find temporary accommodation in third countries Under this programme. UNHCR has been offered 137 000 places in 40 countries. By 2 June, a total number of 75 231 refugees had left FYROM for third countries.

176 There has been friction between the government authorities and the international humanitarian organisations over the construction of camps and the lack of comprehension about the urgent needs of the country and FYROM's policy of keeping the finely drawn ethnic balance under control.

177 The prospect of a peace settlement as accepted by President Milosevic on 3 June, however, will no doubt ease the tension and pave the way for activities in readiness for the refugees' return to their own homes in Kosovo.

178. On 5 May 1999, a meeting was held in Paris between donor countries, international institutions and representatives of the Government of FYROM in order to examine the country's economic problems as a result of the conflict in Kosovo.

179. Finance Minister Boris Stojmenov explained that the massive influx of refugees and the near total cessation of commercial exchanges with the FRY, which represented 70% of FYROM's total trade, had caused huge economic problems for his country. He noted that for 1999, there was a trade deficit of \in 340 million and a budget deficit of \in 170 million, or 4.5% of GNP He estimated that for this year alone, FYROM would need \notin 440 million Recognising that the Paris Club had already agreed to a renewable one-year suspension of foreign debt interest, he asked for further concessions

180. At the Paris meeting, the international community pledged urgent financial aid of \notin 235 million, committing itself to increase this aid to \notin 365 million during the year. In order to help FYROM cope with the threat of economic recession and problems in the balance of payments. It

is important for FYROM to receive this financial aid at short notice

(e) Association with the European Union

181 On 15 and 16 February 1999, a government delegation from FYROM under Prime Minister Georgievski had discussions with the President of the EU Commission, Jacques Santer, and Commissioner Hans van den Broek. Prime Minister Georgievski urged them to speed up the process to grant FYROM association status and indicated that his government was ready to resolve the problems that were of concern to the EU, such as the higher education of ethnic Albanians and democratisation of the media

182. Relations between the EU and FYROM are based on a cooperation agreement which came into force on 1 January 1998. Since then, FYROM has often emphasised its desire to start accession negotiations as soon as possible. At its meeting on 5 March 1999, the EU-FYROM Cooperation Council expressed the wish to upgrade relations between the EU and FYROM and on 8 March 1999 Prime Minister Georgievski asked the European Commission President, Mr Santer, to grant his country the status of associate with a view to future accession to the EU as a full member.

183. In this context, the European Parliament has referred to the positive role played by FYROM in the region, in particular the improvement in relations with Bulgaria. Greece and Albania and its valuable cooperation with both the OSCE and NATO in their efforts to find a solution to the conflict in Kosovo.

184. More recently, discussions on relations between FYROM and the EU were given an entirely new perspective through the EU initiative for a Stability Pact for south-eastern Europe which is under consideration at the moment.

(f) United Nations Preventive Deployment Force (UNPREDEP)

185 Until February 1999, FYROM's border with the Federal Republic of Yugoslavia was monitored by the United Nations Preventive Deployment Force (UNPREDEP), consisting of 350 US troops, 350 military from the Nordic countries, 50 Indonesian engineers and 35 military observers under Russian command. Its mandate, originally due to expire on 31 August 1998 was extended to February 1999 and Denmark. Finland. Norway and Sweden deployed a 300-strong unit as a reinforcement. UNPREDEP's mandate prevented it from intervening in cases of arms trafficking or illegal border crossings but all information it received was communicated to UN headquarters.

186. At the end of February 1999, China vetoed the prolongation of the UNPREDEP mission, which led to the end of its mandate. UNPREDEP was created on 11 December 1992 by virtue of UN Security Council Resolution 795 and started its mission in January 1993.

187. China's veto in the UN Security Council is one of the consequences of the recognition of Taiwan by the new FYROM Government under Prime Minister Georgievski, in exchange for promises of investment by Taiwan China has also severed its diplomatic relations with FYROM.

188 The Government of FYROM recognises that UNPREDEP has played an important role in preventing any spillover of the conflict in former Yugoslavia. It takes the view that UNPREDEP's departure has been offset by the massive presence of NATO troops on FYROM's territory because of the crisis in Kosovo. It also thinks that this presence will facilitate FYROM's integration into NATO.

IX. Kosovo

(a) The Rambouillet negotiations

189. Soon after the conclusion of an agreement between American envoy Richard Holbrooke and President Milosevic on 25 October 1998²⁶. It became clear that President Milosevic was unwilling to implement it while the KLA continued its operations against Serb targets, provoking even more disproportionate reactions. The Serbs continued to deploy new regular units in Kosovo, leaving heavy weapons under the responsibility of Serb police officers

190. The massacre by Serb forces of some 40 Kosovar Albanians in the village of Racak on 15 January was a further turning point in the Kosovo crisis which strengthened the Contact

²⁶ See Assembly Document 1627 of 9 November 1998, Rapporteur: Mr Baumel.

Group's determination to deal decisively with $\ensuremath{\text{it}^{27}}$

191 NATO sent both SACEUR. General Wesley Clark, and the head of the Military Committee. General Klaus Naumann, to Belgrade in order to convey a strong message to President Milosevic concerning NATO resolve in the Kosovo crisis The generals came back to Brussels empty-handed and disappointed at President Milosevic's intransigent position NATO took further measures, enabling it to launch air strikes within 48 hours of a decision to take action, emphasising however that military action could not in itself provide a solution and that any action should be part of a clearly defined political strategy.

192 On 28 January, the NATO Permanent Council issued a new warning to Belgrade and the Kosovar separatists. urging them to cease hostilities and provocation and start negotiations quickly with a view to a transitional political solution that would offer a more favorable status for Kosovo, preserve the territorial integrity of the FRY and maintain the rights of all ethnic groups

193 On 29 January, the Contact Group summoned representatives of the Kosovar Albanians and the Governments of the FRY and Serbia to negotiations in Rambouillet starting on 6 February, to establish a statute of substantial autonomy for Kosovo These negotiations, under the chairmanship of the Foreign Ministers of France and the United Kingdom, and with the direct involvement of the Contact Group, were to have been concluded within seven days The results were then to be communicated to the Contact Group which, depending on progress, could allow a further period of up to one week to bring the negotiations to a successful conclusion. It was later confirmed that there would be three mediators involved in the negotiations: the US Ambassador to FYROM. Christopher Hill, the Austrian Ambassador. Wolfgang Petritsch. representing the EU, and Russia's representative on Kosovo, Boris Mayorsky

194 The Contact Group demanded. *inter alia*, that the FRY meantime stop all offensive actions and repression in Kosovo, comply fully with the agreements with the OSCE and NATO signed in October 1998, promote the safe return of all those who had been forced to flee their homes and cooperate with humanitarian relief agencies and NGOs The Contact Group emphasised that compliance with UN Security Council Resolutions 1160, 1199 and 1203 also applied to the Kosovar Albanians and condemned all provocation by the KLA.

195. The Contact Group's efforts were supported by the UN Security Council On 30 January. NATO gave its full support to the Contact Group's strategy of negotiating an interim political settlement. At the same time, it stated it was ready to take whatever measures were necessary to ensure both parties' compliance with international commitments and requirements In order to speed up the decision-making process with a view to military action, the NATO Permanent Council agreed that the Secretary-General could authorise air strikes against targets on FRY territory depending on how the situation in Kosovo and the diplomatic process opened by the Contact Group evolved. Operational plans for limited air strikes against Serb targets were updated. At the same time, NATO intensified its discussions on setting up a ground force to be deployed on the territory of Kosovo in support of a peace settlement.

196 The Rambouillet plan, as put to the Serbian and Kosovar Albanian delegations, included the following elements with which both parties were meant to comply for a period of three years:

- Kosovo would remain a part of Serbia, which would control its economy, money, defence and foreign relations,
- Serbia would reduce its police presence in Kosovo to 2 575 men in defined tasks. including border control. The army presence would be reduced to 1 500 troops, confined to a five-kilometre zone along Kosovo's border with Albania and FYROM, under rules enforced by ground troops belonging to a NATO-led implementation force.

²⁷ The FRY Government claimed that the dead were armed ethnic Albanian separatists or civilians accidentally caught in crossfire the between government security forces and separatist rebels. However, an exammation carried out by a team of independent Finnish forensic experts, published on 17 March 1999, found that the victums were unarmed civilians, executed in an organised massacre

- local police would be trained at a rate of 300 to 400 officers and men monthly in order to provide a 3 000-strong force within a year. This would in effect allow the KLA fighters to take over law enforcement in their own communities. KLA fighters would be required to surrender their heavy weapons to storage depots under the supervision of the NATO implementation force and they would be banned from carrying light weapons or wearing military insignia;
- Kosovo's population would rule itself autonomously through a 100-member parliament representing all communities and having control over taxes and a budget.
- there would be 30 local councils responsible for issues such as law enforcement, schools, medical care and planning.
- the Kosovar Parliament would elect a president who would have the authority to appoint a prime minister,
- Kosovo would have its own judiciary.
- an international military force under NATO command would be deployed on Kosovar territory to control and verify the implementation of the agreement by both parties. This 25 000 to 30 000strong force would be mainly European but the United States would supposedly contribute some 4 000 troops;
- the whole agreement would be reviewed at the end of three years.

197 Before the Rambouillet talks started, there were intensive discussions between the United States and Europeans about the threat or use of force – the option favoured by the Americans – and the Europeans preference for diplomacy. The distribution of responsibilities that emerged was for US power and authority to support a peace conference organised by Europeans

198. The Europeans acknowledged that US insistence on possible military intervention was what finally brought President Milosevic to the Rambouillet negotiating table.

199 In the final run-up to the Rambouillet talks, US officials discovered that the UK and

France had failed to include Annex 1A, concerning a stabilisation force on the ground in Kosovo to enforce an accord, in the draft peace plan. This was therefore included at the last minute.

200 Before the Contact Group would agree to call the Rambouillet talks a success, the US mediator, Christopher Hill - who had earlier drafted a plan for autonomy in Kosovo with the Serbs and Kosovar Albanians - was to ensure that both parties accepted all the crucial points. If the Contact Group's Rambouillet initiative failed, the NATO Secretary-General would have the authority to order air strikes to force the parties to agree. France had originally proposed that the NATO Secretary-General seek approval from the Contact Group before using force, but the United States managed to convince its allies that NATO must not be subordinated to another political authority.

201. In January 1999, the US Secretary of State, Mrs Albright, had told the Russian Government that the Kosovo crisis, which threatened to disrupt NATO's Washington Summit, left no alternative but action

202. On 6 February 1999, almost as soon as negotiations in Rambouillet had begun, the Serbian delegation demanded that the two parties first sign an agreement accepting ten basic principles set out by the mediators, the most important being the "sovereignty and territorial integrity of Serbia and Yugoslavia".

The Kosovar Albanian delegation insisted 203 on a ceasefire and deployment of an international military force on the territory of Kosovo. They also demanded that a referendum take place on independence Under the circumstances, the negotiations failed to make much progress The situation was complicated by the fact that there was disagreement among the different sponsors of the negotiations as to who would have the ultimate responsibility for implementing the peace agreement. The Russian and French Governments wanted the Contact Group to be in overall charge with the OSCE monitoring compliance, and military support provided by an international force. The United States, which was prepared to contribute troops to an implementation force, demanded that the entire command and responsibility be entrusted to NATO, in view of the disastrous dual-key command arrangements for UNPROFOR in Bosnia.

204 On 11 February, the Serbian President, Milan Milutinovic, joined the Serbian delegation which then unilaterally signed the ten principles laid down by the Contact Group as the basis for the negotiations When, after a week of talks, the negotiations seemed to have stalled, the US Secretary of State, Madeleine Albright, decided to intervene personally to try and achieve a breakthrough. She wanted to throw the weight of US credibility behind the option of NATO air strikes if President Milosevic refused to yield, a threat which European governments had been less willing to brandish

205 NATO approved the operational concept for a possible ground peacekeeping force in Kosovo of 26 000 troops (KFOR) on 12 February, while a vanguard or enabling force of some 6 000 troops, partly from the Allied Rapid Reaction Corps, was already being assembled. The enabling force, which had the task of preparing the arrival of KFOR, was also tasked to cooperate with the Extraction Force in case of a general evacuation of the OSCE verifiers from Kosovo

206 The United States also focused on persuading the Kosovar Albanian delegation to accept a peace agreement allowing Kosovo substantial autonomy but not independence, which the Contact Group members refused to support On 14 February, the Contact Group agreed to give both parties one more week - until noon on 20 February – to reach agreement on the threevear interim arrangement for autonomy for Kosovo within Yugoslavia Meeting in Paris on the same day, the EU Foreign Ministers disclosed an ambitious plan to help rebuild Kosovo and resettle refugees with an aid programme worth €500 million over three years. The EU also wanted the World Bank to become involved in a reconstruction programme for Kosovo, but recognised that it would be difficult, as Kosovo is not a sovereign country but a part of Yugoslavia and as such subject to sanctions and banned from World Bank membership and credits

207. The Serbian delegation continued to raise objections to political autonomy for Kosovo and the Serbian President. Mr Milutinovic said the proposals "practically implied the separation [of Kosovo] from the state of Serbia"²⁸ There was

²⁸ International Herald Tribune, 16 February 1999.

also strong opposition to the deployment of any foreign military force in Kosovo

208. The Kosovar Albanian delegation, on the other hand, insisted on more clarity about holding a referendum on Kosovo's independence at the end of the three-year period referred to in the Rambouillet proposals. They were also reluctant to accept total disarmament of KLA fighters and suggested including a provision in the agreement for the creation of a "national guard" or "selfdefence force", the core of which could be the present KLA fighters

209. On 16 February, the US mediator, Christopher Hill, went to Belgrade to meet President Milosevic and told him that NATO would bomb his country if the FRY delegation did not accept the Rambouillet proposals before noon on 20 February. President Milosevic, however, remained adamant. He said that the FRY's recalcitrant attitude towards the deployment of foreign troops in Kosovo was supported by the entire parliament and population of the country He was convinced that the key issue in terms of a lasting solution in Kosovo was "observance of the principle of equality between the national communities and recognition of the territorial integrity and sovereignty of the Republic of Serbia and the FRY²⁹.

210 The US Government reacted by sending a further 51 war planes, including 12 "Stealth" bombers, to Europe in addition to the hundreds of aircraft standing ready in theatre to carry out air strikes. This move caused Russian President Boris Yeltsin to declare publicly that he would not permit the use of force by NATO military aircraft if the Rambouillet peace talks failed Russia's Foreign Minister. Igor Ivanov, said that if the talks failed, the only alternative was for the Contact Group to meet again and continue the search for a political settlement, because there could be no other³⁰.

211. In this final stage of the Rambouillet negotiations, cracks were appearing in the Contact Group's unanimity. The Russian mediator Boris Mayorsky dissociated himself and his country publicly from any military presence in Kosovo He denounced reports that Russia was trying to

²⁹ Le Monde, 18 February 1999

³⁰ International Herald Tribune, 19 February 1999.

persuade Mr Milosevic to accept a NATO force in Kosovo as "blatant hes"³¹

212 On 19 February. US mediator Christopher Hill again went to Belgrade, but failed to meet President Milosevic. The President told a Cypriot delegation that NATO strikes would not force Serbia to accept "foreign occupation", adding "we will not give up Kosovo, even at the cost of bombardment"³² Hasim Thaci, the chief KLA delegate at Rambouillet, was allowed to fly to Slovenia and consult with his – highly critical – supporters

213 On 20 February, the Contact Group Ministers, having met the two parties and heard the report of the three mediators, concluded that major progress had been made. They thought that a last-ditch effort to reach an agreement was justified and postponed the deadline to 23 February at 15.00.

214 The United States reportedly agreed to extend the talks only reluctantly, rejecting the arguments of European allies who wanted a longer postponement Several European allies had doubts over a bombing campaign just to give NATO threats credibility.³³.

215. The US Secretary of State. Madeleine Albright, returned to Rambouillet to step up the pressure on both sides. Exasperated with both the Albanians and the Serbs, she said that NATO would not carry out its bombing threat if the Albanians continued to insist on a referendum on independence at some future date.

216. Under such intense pressure, divisions emerged within the Kosovar Albanian delegation and Hasim Thaci tendered his resignation as leader of the negotiating team, but later decided not to break the ranks In Kosovo itself, heavy fighting between Serb special police and army units and KLA forces north of the capital Pristina led to the displacement of more than 4 000 Kosovar Albanians³⁴

217. Finally, on the afternoon of 23 February, when the official deadline of 15 00 had already passed, the Kosovar Albanian delegation requested a two-week break in order to consult its

"political and military" base in Kosovo. The cochairmen announced that the efforts of the parties and mediators had led to

> "a consensus on substantial autonomy for Kosovo, including on mechanisms for free and fair elections to democratic institutions, for the governance of Kosovo, for the protection of human rights and the rights of members of national communities, and for the establishment of a fair judicial system."

and added that:

"A political framework is now in place, as set out in the Rambouillet Accords and the groundwork has thereby been laid for finalising the implementation Chapters of the Agreement, including the modalities of the invited international civilian and military presence in Kosovo It is essential that the agreement on the interim accord be completed and signed as a whole. In this spirit, the parties committed themselves to attend a conference, covering all aspects of implementation, in France on 15 March, following consultations with the parties and relevant international organisations."

Neither of the two parties had signed In a 218 letter to the Contact Group, the Albanian side said it could accept the draft peace plan subject to consultations in Kosovo Acceptance of the peace plan was, however, dependent on "rapid deployment" of a NATO force and on "a referendum to ascertain the wishes of the people". Although the Kosovar Albanian delegation did not mention it in its letter, the KLA representatives did not want to see the KLA disarmed if there were no better guarantees for Kosovo's independence after three years. The Serbian side, in its letter to the Contact Group, expressed its willingness to support autonomy for Kosovo, provided it did not lead to independence or the founding of a third republic of Federal Yugoslavia. It also stated, in an apparent concession, that the FRY was ready to "discuss the scope and character of an international presence³⁵. In the letter, the Serbs also regretted that the Rambouillet text made no mention of the equality of the "different national communities"

³¹ Financial Times, 19 February 1999.

³² Financial Times, 20-21 February 1999

³³ Financial Times, 22 February 1999.

³⁴ The Times, 23 February 1999

³⁵ The Times, 23 February 1999.

in Kosovo which they identified as Montenegrins, Turks, Muslims, gypsies, Egyptians and Goranci. In an interview on 30 April 1999 with UPI (United Press International), President Milosevic stated that there were 250 000 Serbs in Kosovo, 200 000 Muslim Serbs who were not of Albanian origin, 150 000 gypsies and 50 000 Turks.

219 In plain language, although some progress was made on the political framework of Kosovo self-government, it must be admitted that, notwithstanding three weeks of extremely painful negotiations, no progress was made on the issues which were considered vital by each party. Even threats of air strikes directed towards the Serbs if they did not sign and threats of no air strikes directed towards the Kosovar Albanians if they did not sign, did nothing to make them more flexible.

220. Serbia's Deputy Prime Minister, Vuk Draskovic, stated on 22 February that Belgrade should welcome the presence of foreign troops in Kosovo, because they would eventually disarm the KLA. He also said that Serb rejection of a settlement would constitute a "national disaster" because the resultant NATO air strikes would provoke a fresh wave of anti-American sentiment and encourage hardliners to create a "gulag" where no dissident would be tolerated³⁶.

221. On 23 February, the day the Rambouillet negotiations were suspended, the Kosovar Albanian delegation, after consultations between the KLA. Mr Rugova's Democratic League of Kosovo (LDK) and the United Democratic Movement, agreed to form a provisional government in Kosovo, with a KLA-appointed prime minister to lead the province until the elections provided for in the Rambouillet proposal were held, nine months after the signing of a peace agreement. A few days later the Kosovar Albanian leaders approved the appointment of Hasim Thaci as Prime Minister of this provisional government. These moves were indicative of an unexpected degree of unity among the Kosovar Albanian leadership and the KLA's determination to become a political force to be reckoned with They also further marginalised Ibrahim Rugova, who had led the peaceful opposition movement since the early 1990s This provisional

government, however, never got off the ground and old rifts became apparent again. The LDK refused to cooperate and Mr Thaci announced his own provisional government in what little Kosovar territory was still held by the KLA

222. The attitude of the KLA representatives in Rambouillet and the decision to create a provisional coalition government in which the three mainstream political groups were represented caused Adam Demaçi, the KLA's political representative, to stand down on 2 March. According to some sources, he was dismissed by KLA commanders. Demaçi, a champion of Kosovar Albanian separatism who had spent 28 years in Yugoslav prisons for the cause, called the Rambouillet plan a betrayal of the historical rights of Albanians. Radically opposed to the Rambouillet talks, he had sought to block the proposed agreement in every way possible

223. Despite the fact that the FRY was deploying ever more troops and heavy weaponry in and around Kosovo and, at the same time, increasing the number of special police troops in violation of the October 1998 Holbrooke-Milosevic agreement, NATO took no action to enforce compliance with the earlier agreement³⁷.

224. According to NATO. Serbia's strength in Kosovo. limited to 10 000 army troops and 11 000 paramilitary police in the October 1998 agreement, had grown by the end of February to 25 000 troops and police in Kosovo and a still-expanding force of 7 500 troops and 200 tanks just to the north of the province³⁸.

225. At the end of February 1999, William Walker, Head of the OSCE's Kosovo Verification Mission, stated that 50 000 civilians in Kosovo had been displaced from their homes in January and February 1999³⁹ A growing number of violent incidents were occurring in Kosovo, but the Alliance preferred not to take action against Serb military targets because it did not want to endanger the resumption of the peace talks on 15 March, and because it was aware that the KLA was also violating the October agree-

³⁷ International Herald Tribune, 4 March 1999

³⁸ International Herald Tribune, 26 February 1999.

³⁹ International Herald Tribune, 26 February 1999.

³⁶ International Herald Tribune, 23 February 1999

ment by engaging in ambushes. kidnappings and other forms of $attack^{40}$

226. NATO was, however, continuing its preparations for the deployment of a 30 000-strong implementation force, christened KFOR, to back up a possible peace agreement. The UK was to provide 8 000 troops for this force – under NATO command. with UK Lieutenant General Sir Michael Jackson of the Allied Rapid Reaction Corps as commander – France and Germany some 5 000 each, the United States 4 000, Italy 2 000 and other NATO members' numbers as yet undefined. An initial contingent of some 10 000 troops, including heavy equipment such as tanks, armoured vehicles and heavy artillery, was being deployed in FYROM.

227. US participation in the peacekeeping force was considered essential because, as Secretary of State Albright told US Senators, "There is zero chance that the Kosovar Albanians will sign up to this [the Rambouillet] deal if the US does not participate in its implementation"⁴¹.

228 The remaining weeks before the resumption on 15 March of talks on the Rambouillet proposals were characterised by diplomatic activity to ensure signature by both parties. While the Kosovar Albanians promised that they would approve the Rambouillet plan, a constant stream of officials from Contact Group countries, including the US Ambassador Richard Holbrooke, beat a path to Mr Milosevic's door in Belgrade. The Government in Belgrade now started to ask for numerous changes to the text of the Rambouillet plan, including special provisions for Serbs living in Kosovo and alterations to words like "constitution" and "president" in the paragraphs dealing with Kosovar autonomy. But President Milosevic also refused to accept a NATO-led military force in Kosovo to enforce a political settlement. At the same time, the Chairman of NATO's Military Committee, General Klaus Naumann, said that any international military force in Kosovo should be under NATO command and not involve "dual-key" command arrangements. NATO continued the build-up of its 10 000-strong advance force in FYROM, towards an estimated total of 26 000 troops.

Western allied governments also started to talk to the Russian Government about Russian troops being involved⁴²

229. From Kosovo itself came frequent signs of increasing violence against civilians and fighting between Serb forces and the KLA.

230. On 15 March 1999, negotiations on the Rambouillet proposals resumed in Paris, in an atmosphere of gloom, with the same delegations of the two parties and the same three mediators

231. The Kosovar Albanian leaders had announced their intention of signing the peace plan upon arrival in Paris, however the KLA made clear in a statement that it was not the solution they wanted most, while Mr Rugova's view was that the Albanians would sign because there was "no more time to negotiate"⁴³.

232 Although no deadline had been announced. it soon became clear that the Paris conference would have to end within a few days. The FRY delegation continued to use delaying tactics, tabling amendments and refusing to accept the military aspects of the peace plan. The mediators insisted that the political and military sections of the plan were inseparable, that only marginal changes were acceptable and that the principle of the deployment of a military force under NATO command was non-negotiable.

233 In Kosovo itself, the Serbian special forces and the FRY army had been deeply engaged for three weeks in an operation in the north of the province to eradicate the KLA. It was estimated that 30 000-40 000 troops, plus heavy tanks and other armoury were being deployed in and around Kosovo.

234 On 18 March, the peace negotiations concluded with the Kosovar Albanian delegation signing the Rambouillet peace plan while the FRY delegation continued to refuse to do so. On Friday 19 March, the British and French Foreign Ministers closed the Paris conference, giving the FRY delegation until 23 March to change its mind, and Allied leaders warned that NATO was standing by to take whatever measures were necessary if Belgrade refused to reverse its decision.

⁴⁰ International Herald Tribune, 4 March 1999; Financial Times, 25 February 1999.

⁴¹ Wall Street Journal, 25 February 1999.

 ⁴² International Herald Tribune, 10-11 March 1999.
¹³ Wall Street Journal, 15 March 1999.

235 Apparently, this failed to make any impression on President Milosevic Since March 1998, he had been facing sanctions and the threat of more severe sanctions, visits by ministers and other dignitaries trying to convince him to change his policy in Kosovo and threats of military action if he did not do so Nevertheless, by engaging in a well-balanced mix of savage violence and periods of relative reluctance, he had continued to deceive his foreign opponents whose mutual divisions prevented decisive action being taken against him

236 Mr Milosevic built his political leadership on his firm stance about Serbian rights over Kosovo A very large majority of the Serbian people opposed any compromise over Kosovo He had also good reason to assume that a foreign military attack would unite an even greater part of the Serbian population against any aggressor He may have thought that even if NATO carried out its threat of air strikes, they would not last long because of rapidly growing divisions among Allied countries over their effectiveness and legitimacy. He may also have thought that some orthodox countries in the region, which he considered to be traditional or potential allies would help him thwart a sustained air campaign against Serbia

237 All in all. Mr Milosevic thought he had enough rational arguments to take a calculated risk and not succumb to outside pressure to sign the Rambouillet proposals. He may have forgotten, however, to take account of the following important elements in the equation

238 The United States and NATO – with its 50th anniversary in sight - could under no circumstances afford to end a military operation against the Federal Republic of Yugoslavia without having attained their objective and at the same time letting it be seen that the most powerful country and the most powerful alliance in the world had been defeated by Mr Milosevic A sustained air campaign, implemented with the world's most sophisticated military equipment and state-of-the-art technology has a devastating and demoralising effect on the population and armed forces of a country which has to endure it. provided that the only limit to its duration is attainment of the objective In the end, the inordinate violence which Mr Milosevic unleashed in his alleged fight against KLA terrorism, resulting in repeated massacres, numerous summary executions, organised mass deportations and other erimes against humanity, wholly discredited his policy and kept both the Allied countries and the majority of their public opinion united in favour of the air operation, notwithstanding the fact that it caused civilian casualties among Serbian and Kosovar Albanians Last but not least. Mr Milosevic may also have underestimated the determination of his opponents to put an end once and for all to his ability to wreak havoc in southeastern Europe, which was the main cause of the dramatic delay in the development of economy and democracy throughout the region

239. On the other hand, there is no doubt that the Contact Group and NATO also made some serious miscalculations in their policy. They may have underestimated Mr Milosevic's determination to give in as little as possible for the abovementioned reasons Most of the Allies may therefore have been convinced that a few days of moderate bombing would be enough to make him change his mind and sign the Rambouillet proposals. Western leaders sent a totally wrong signal to Mr Milosevic in ruling out any intervention by ground forces on the territory of Kosovo If he did not agree to them It may also have been a mistake on the part of NATO's political leadership to step up the intensity of the air campaign only gradually, a decision which seems to have gone against the advice of the military in charge of preparing the air strikes. Nor was the Alliance immediately prepared to cope with the huge influx of Kosovar refugees and deported persons into neighbouring countries which, in the early days of NATO's air operation, nearly brought NATO to the brink of defeat in the battle to win the support of public opinion, even though the refugee problem was a consequence of Serbia's carefully planned and implemented Operation "Horseshoe" and not of NATO's air strikes.

240 It was also wrong to assume, as many in the Alliance did, that air strikes against the FRY would quickly produce the same results as the bombing raids in Bosnia had done in August and September 1995, leading President Milosevic to agree to sign the Dayton Peace Agreement. In Bosnia, it was easy for NATO air power to disrupt the relatively weak and partly irregular Serb forces: also, the air strikes could exploit concurrent successes on the ground by Croatia's recently retrained, re-equipped and mobile regular forces. When President Milosevic finally conceded, he was called a "realist" and left more or less unharmed because the Contact Group considered him crucial to the implementation of the Dayton Peace Agreement.

241. The situation in Kosovo was very different. Among the Serbian forces on the ground was a sizeable contingent of the well-equipped and well-trained Serbian army, as well as the Serbian police forces and militia There was no equivalent to the Croatian army to do the job in the field. The KLA was not well-equipped and had little training, if any at all Air strikes did not immediately affect the Serbian army because it deliberately deployed its heavy equipment in Kosovar villages and small towns and used its wellrehearsed concealment tactics, causing NATO air attacks to inflict considerable collateral damage at great political risk.

(b) Why did Rambouillet fail?

242 Clearly the Rambouillet talks were not a success and they also reduced the credibility of the Clinton administration. At the end of the conference, Mrs Albright very visibly took charge of the negotiations, thus exposing herself to the political risks of success or failure

243 The United States had chosen the now fashionable strategy of "muscular" mediation whereby the mediator, instead of carefully negotiating a mutually acceptable compromise, puts forward his own solution and threatens to use his considerable resources against whichever side rejects the agreement Even if one or both parties do not like the deal, it is assumed that each will prefer it to confronting the combined strengths of the opponent and the mediator This method was successful in bringing the Dayton Agreement into being. However, the Kosovo crisis cannot be compared to the war in Bosnia

244. In the Kosovo crisis, however, the United States did not have much effective leverage on the Kosovar Albanians. The Albanian diaspora supplied the KLA with weapons, which were smuggled into Kosovo by the Albanians themselves. As the underdogs in the struggle with the Serbs, they knew that the public in Western countries would clamour for them to be protected against further Serb atrocities, even if they were inflexible at the negotiating table US leverage on the Serbs was also very limited. There was no threat of a peacemaking intervention by ground troop deployment because peace in Kosovo was a precondition for stationing an international force on its territory and the threat of air strikes, which had already been around for some months while divergent opinions in the Allied countries over their feasibility had widely been exposed in the media, was not considered particularly credible by the Serbian Government The Serbs were determined to resist – as the government and President Milosevic had already stated – since on no account were they willing to give up Kosovo.

245. At Rambouillet, both sides thought they had more to gain by fighting – of which they had not yet grown weary – than by signing an agreement they did not want. It was also thought by both parties that the US and its allies did not have the resolve to use military means of enforcement in what was possibly a hostile environment, in order to impose an agreement that was not to the liking of those being required to sign it.

(c) Operation Horseshoe: the defeat of the KLA and deportation of the Kosovar Albanians

246. There has been much astonishment and dismay over the unprecedented numbers of refugees crossing the Kosovo borders into neighbouring countries. It was obvious too that FRY forces were able to control the flow of refugees as they saw fit

247 The German Ministers for Foreign Affairs and Defence have shed light on those events by publishing evidence of Serb plans of which the British and US intelligence services are said to have been aware. According to this document⁺⁺. soon after the agreement between Richard Holbrooke and President Milosevic, the Serbian Government started formulating a strategic plan. code-named "Horseshoe", the principal aim of which was to defeat or at least neutralise the KLA in Kosovo. Deportation of the Kosovar Albanian population was clearly a part of this plan. Not only would this result in a change in the demographic balance of the province, it would deprive the KLA of its bases and support It is worth remembering here that the Serbian operations of spring and summer 1998 resulted in 300 000 displaced persons and refugees On the initiative of the Contact Group, an agreement

⁴⁴ Le Monde, 9 and 10 April 1999

was then concluded on 13 October between Mr Holbrooke and Mr Milosevic forcing the latter to accept an OSCE verification mission and reduce Serb forces in Kosovo This led to a return *en masse* both of displaced persons and of the KLA. This last was unacceptable to Belgrade which regarded the KLA as an instrument of terrorism and separatism.

248. According to the document published by the German Government. Operation Horseshoe started at a low level of intensity in November 1998 It was stepped up in January 1999 and continued during the Rambouillet negotiations. After Rambouillet, it gained in strength and carried on uninterrupted during the Paris negotiations. Operations started in northern Kosovo, in the regions of Podujevo and Mitrovica, and from there Serbian forces gradually moved down to the south-western and south-eastern borders of Kosovo, driving out the inhabitants, principally to FYROM and Albania The German document also suggests that General Perisic, the former Chief-of-Staff of the FRY army was dismissed at the end of November 1998 because he was opposed to the intervention of Yugoslav armed forces in Kosovo

(d) NATO air operations

249 On 19 March 1999, after the negotiations in Paris had been adjourned without the Yugoslav Government signing the proposed peace agreement and while Serbian forces were fully engaged in stepping up the pressure in Kosovo, the American mediator Richard Holbrooke again met President Milosevic in Belgrade. Mr Holbrooke's eleventh-hour mediation failed however to extract any concessions from Mr Milosevic. NATO accordingly had no choice other than to implement its threat of launching air strikes against the Federal Republic of Yugoslavia

250. In an official press statement on 23 March, NATO Secretary-General Javier Solana first explained the reasons why action was taken "We are taking action following the FRY Government's refusal of the international community's demands. acceptance of the interim political settlement which has been negotiated at Rambouillet : full observance of limits on the Serb army and Special Police Forces agreed on 25 October 1998: ending of excessive and disproportionate use of force in Kosovo" He then described the objective as follows. "This military action is intended to support the political aims of the international community. It will be directed towards disrupting the violent attacks being committed by the Serb army and Special Police Forces and weakening their ability to cause further humanitarian catastrophe. We wish thereby to support international efforts to secure Yugoslav agreement to an interim political settlement". Mr Solana further said that "a viable political settlement must be guaranteed by an international military presence" NATO had acted "to prevent more human suffering" and "to prevent instability spreading in the region"

251. On 24 March. Secretary-General Solana sent a letter to five of Yugoslavia's neighbours: Slovenia. Romania. Bulgaria. FYROM and Albania. in which he assured them of the Alliance's support in the event of their being threatened. adding that "the security of NATO members is linked to that of its partners"

252. There were to be 3 different phases

1. SACEUR authority to commence air operations in Kosovo against anti-air defence targets throughout Yugoslavia.

2 Operations against a broader range of assets in a wider area extending as far as the 44th parallel north.

3 Extension of the operations beyond the 44th parallel

253. US President, Bill Clinton, said the action was necessary to stop the escalation of violence in Kosovo and to show that the West was serious about working to create a stable, peaceful and safe Europe

254. UN Secretary-General Kofi Annan questioned the legality of the air strikes, saying that the UN Security Council "should be involved in any decision to resort to the use of force"⁴⁵. Both Russia and China insisted that the air strikes violated international law

255 The Russian President. Boris Yeltsin, "deeply shocked" by the NATO air raids, froze military co-operation with NATO and reserved the right to take "military measures" should NATO strikes against Yugoslavia result in the conflict spreading within Europe.

⁴⁵ Wall Street Journal, 25 March 1999.

256. The Russian military representative to NATO was recalled to Moscow, but the Russian Ambassador to NATO and Belgium remained in Brussels. Russia reportedly decided to break off cooperation within the framework of the PfP and the NATO-Russia Founding Act of 1997 and to suspend discussions on the establishment of a NATO military mission in Moscow.

257. The European Council, meeting in Berlin, denounced the repression of Kosovar Albanians by FRY security forces and the fact that President Milosevic had persistently refused to engage seriously in the search for a political solution. It also stated that Europe was "under a moral obligation to ensure that indiscriminate behaviour and violence" were not repeated and that "an aggressor must know that he will have to pay a high price"

258 For a full discussion of NATO's air operations and other military and defence aspects of the Kosovo conflict, reference is made to the report submitted by the Defence Committee on "The situation in Kosovo", co-Rapporteurs Mr Blaauw and Mr Bársony.

(e) Peace initiatives

259. While the paragraphs below mention only the most important peace initiatives, it is of course clear that many more attempts have been made to mediate and make contributions to a possible solution of the conflict in Kosovo both by governments and politicians on different levels.

Mediation attempt by Prime Minister Primakov

260. On 30 March, Russian Prime Minister Yevgeni Primakov, accompanied by Defence Minister Igor Sergeyev and Foreign Minister Igor Ivanov, had talks with President Milosevic in Belgrade in an attempt at mediation. The Prime Minister then met with the German Chancellor, Gerhard Schröder, President-in-Office of the European Council, to discuss the results of his efforts. Mr Schröder, however, concluded that President Milosevic's proposals, as presented by Mr Primakov, were not a basis for a political solution in Kosovo.

261. President Milosevic had asked for a halt to NATO military operations in the FRY, after which he would engage in negotiations. He also reputedly said he was ready to create the conditions for the return to Kosovo of all peaceable refugees.

262. Chancellor Schröder took the view that President Milosevic had to give a clear signal of his willingness to take the Rambouillet peace agreements seriously and first and foremost the demand for a complete withdrawal of Serb troops from Kosovo.

263. NATO pointed out that Prime Minister Primakov's mediation efforts contained no reference to the political framework, proposed at the Rambouillet negotiations and signed by the Kosovar Albanians, which included implementation of a peace agreement under the supervision of an international peace force deployed in Kosovo⁴⁶.

264. At the same time. Secretary-General Solana declared that NATO's priority was to "stop the killing and help refugees" adding "we cannot tolerate that a situation of this type should continue in Europe", because of a man so far "removed from our common values"⁴⁷.

President Milosevic's ceasefire proposal of 6 April 1999

265. On 6 April, the FRY Government offered a unilateral ceasefire from 20.00 that day, suggesting that negotiations could start on the return of refugees. As well as the ceasefire, Mr Milosevic's proposal also included a political panel. He proposed to Mr Rugova that he cooperate in drawing up a joint "provisional agreement" which, in time, would lead to "substantial autonomy" for Kosovo. The agreement would create the conditions under which the organs of selfgovernment of the Albanian. Serbian and other national communities could operate. After a period of time had elapsed, this agreement would constitute the basis of a durable arrangement for substantial autonomy for Kosovo within the framework of Serbia and Yugoslavia. Mr Rugova was also invited to draft a programme for the return of the refugees, with the appropriate participation of UNHCR and the ICRC jointly with Belgrade. Mr Milosevic apparently proposed to provide comfort for refugees whom he had expelled from their homes and lands in a carefully planned and orchestrated military op-

⁴⁶. *Itlantic News* No. 3096, 2 April 1999.

⁴⁷ Idem.

eration. As so often in the past, he was again presenting himself as the reasonable peacemaker in a crisis which had been provoked by his own infamous policy

266. After consultations between the Allies, the NATO Secretary-General rejected this proposal as "clearly insufficient". He repeated that NATO's military objective was to establish "a peaceful, multi-ethnic, democratic Kosovo in which all its people can live in security". Those aims could only be achieved through "the return of all refugees. () the deployment of an international security presence, withdrawal of the Serb military, police and paramilitary forces and putting into place a political framework for Kosovo which was based on the agreements of Rambouillet".

267 In his statement, the NATO Secretary-General, for the first time since the beginning of the air operation, did not say that the international force should be "under NATO command" apparently in an effort to accommodate the Russians, with whom the discussion in the Contact Group was to be re-opened on 7 April. This would be the first such meeting since the Russians suspended their contacts with NATO in response to the air strikes At the same time, it was now evident that the international force would not only have the task of controlling the implementation of a possible agreement, as the Rambouillet text had proposed, but also of guaranteeing the return of the refugees

The appeal by UN Secretary-General Kofi Annan

268 After a period of inaction, partly due to the fact that the Contact Group and NATO had taken the lead in the Kosovo crisis, the UN Secretary-General reappeared on the scene on 9 April and launched an urgent appeal to the Yugoslav authorities to make every effort to:

- immediately end its campaign of intimidating and driving out the civilian population.
- stop all activities of military and paramilitary forces in Kosovo and withdraw them from the province;
- accept unconditionally the return to their homes of refugees and all displaced persons;

- accept deployment of an international military force to guarantee that refugees could return in security and that humanitarian aid would be distributed without obstruction;
- allow the international community to verify that those undertakings were respected

269. If Belgrade accepted the conditions, the Secretary-General would ask NATO leaders to suspend their air strikes against FRY territory immediately. The end of hostilities should be a prelude to a durable political solution, which could be reached only through diplomacy. Mr Annan's initiative was welcomed in many European capitals and at NATO and it was followed up in the EU initiative worked out on 14 April 1999

European Union meeting on 14 April 1999

270. The heads of state and government of the European Union held an informal meeting in Brussels on 14 April 1999, in which the United Nations Secretary-General, Kofi Annan, also took part. Here, the EU heads of state and government supported the UN Secretary-General's 9 April 1999 initiative regarding Kosovo in which he summed up the demands of the international community to the FRY Government, on which there could be no compromise. These were as follows:

- an immediate halt to the use of force,
- withdrawal of all military and special police forces and irregular units.
- deployment of an international military force on the territory of Kosovo;
- the return of all refugees and displaced persons

271. In their view, only acceptance and immediate implementation of those demands could lead to a suspension of NATO's military action and pave the way for a political solution.

272. The EU heads of state and government declared that the abovementioned principles should be included in a resolution to be adopted by the UN Security Council under Chapter VII of the UN Charter. Chapter VII, and especially Article 42, allows the Security Council to take "such action by air, sea or land forces as may be

necessary to maintain or restore international peace and security", if measures not involving the use of armed forces have proved to be inadequate

273. Obviously, Russia's agreement was indispensable for the adoption of any resolution envisaged by the EU leaders. They also asserted that a political settlement of the Kosovo crisis should be based on what they called the "Rambouillet *acquis*", providing for substantial autonomy within FRY borders.

274. The EU's position was that an interim arrangement for Kosovo, to be established directly after the end of the conflict, must include the following main elements:

- establishment of an international interim administration which the European Union could take over:
- creation of a police force that reflected the composition of the population of Kosovo;
- the holding of free and fair elections:
- deployment of international military forces guaranteeing protection for the whole population of Kosovo

275. The heads of state and government stressed the need for the EU to play an active part in overcoming the crisis and emphasised the importance of close cooperation with the Russian Federation. Once again they reaffirmed the solidarity of the EU, and its member states, regarding humanitarian assistance for refugees and displaced persons and assistance for neighbouring countries of the FRY. Lastly, they announced that they would convene a Conference on southeastern Europe "to decide upon further comprehensive measures for the long-term stabilisation, security, democratisation and economic reconstruction of the entire region".

The Milosevic-Chernomyrdin compromise plan

276. On 22 April 1999, President Yeltsin's special envoy. Viktor Chernomyrdin, had talks with President Milosevic in Belgrade, resulting in the following proposal:

(*i*) subject to agreement with the FRY, there would be an international presence in Kosovo under UN aegis and with Russian participation;

(1) possible reduction of FRY military and police forces in Kosovo, accompanied by simultaneous withdrawal of NATO forces deployed at the border of Yugoslavia;

(iii) resumption of work on the political framework for the future autonomy of Kosovo;

(*iv*) safe return of refugees and displaced persons:

(v) provision of humanitarian aid:

 (v_l) international cooperation in the reconstruction of the FRY economy, including Kosovo, and the whole region

277. President Milosevic made clear that the "international presence" in Kosovo had to be a UN civilian mission, in which countries participating in the NATO air operations would not be represented. He also said that negotiations should be reopened directly between Serbs and Kosovar Albanians, not between the Yugoslav or Serbian Government and the representatives of the international community⁴⁸.

278 President Clinton and Prime Minister Blair rejected this proposal as soon as it became clear that President Milosevic would not accept the presence of an international military force in Kosovo and that the proposal itself did not in any way meet NATO's demands.

NATO policy as regards the crisis in Kosovo as stated at the Washington Summit

279. At NATO's Washington Summit on 23 and 24 April 1999, the heads of state and government issued a statement on Kosovo in which they summarised their policy regarding the crisis in Kosovo.

280. They reiterated that NATO's military action against the FRY supported the political aims of the international community to achieve "... a peaceful, multi-ethnic and democratic Kosovo where all its people can live in security and enjoy universal human rights and freedoms on an equal basis"

281. They further stated that President Milosevic must

⁴⁸ Le Monde, 24 April 1999

- "ensure a verifiable stop to all military action and the immediate ending of violence and repression in Kosovo;
- withdraw his military, police and paramilitary forces from Kosovo;
- agree to the stationing in Kosovo of an international military presence;
- agree to the unconditional and safe return of all refugees and displaced persons, and unhindered access to them by humanitarian aid organisations; and
- provide credible assurance of his willingness to work for the establishment of a political framework agreement based on the Rambouillet accords."

They added that "There can be no compromise on these conditions".

282. Additional measures were put in place to tighten the constraints on the FRY Government, including intensified implementation of economic sanctions and an embargo on petroleum products. led by the EU.

283 The Defence Ministers would determine ways in which NATO could contribute to halting the delivery of war material.

284. It was again emphasised that:

"NATO is prepared to suspend its air strikes once Belgrade has unequivocally accepted the abovementioned conditions and demonstrably begun to withdraw its forces from Kosovo according to a precise and rapid timetable. This could follow the passage of a UN Security Council Resolution, which we will seek, requiring the withdrawal of Serb forces and the demilitarisation of Kosovo and encompassing the deployment of an international military force to safeguard the swift return of all refugees and displaced persons as well as the establishment of an international provisional administration of Kosovo under which its people can enjoy substantial autonomy within the FRY. NATO remains ready to form the core of such an international military force. It would be multinational in character with contributions from non-NATO countries".

285. The statement further stressed that Russia had a particular responsibility in the United Na-

tions and an important role to play in the search for a solution to the conflict in Kosovo, adding that the Alliance wanted to work constructively with Russia, in the spirit of the Founding Act.

286. It was also stated that NATO would "not tolerate threats by the Belgrade regime to the security of its neighbours [It would] respond to such challenges by Belgrade to its neighbours resulting from the presence of NATO forces or their activities on their territory during this crisis". NATO reaffirmed its "support for the territorial integrity and sovereignty of all countries in the region". It also reaffirmed its "strong support for the democratically-elected government of Montenegro Any move by Belgrade to undermine the government of President Djukanovic will have grave consequences. FRY forces should leave the demilitarised zone of Prevlaka immediately."

President Milosevic's six-point plan

287. In an interview on 29 April 1999⁴⁹, President Milosevic outlined a peace plan which he based on the following six points:

"1. Cessation of all military activities;

2. Withdrawal of NATO troops along the Kosovo border with Albania and Macedonia and simultaneous withdrawal of 90 000 Yugoslav forces from Kosovo. leaving "normal garrison strength" of 11 000 to 12 000 Yugoslav troops:

3. Introduction of a UN peacekeeping mission to include representatives of neutral nations, Russia, Ukraine, Belarus and Western European nations that are not members of NATO. The peacekeepers are not to be called a force nor are they to carry any weapons other than those required for self-defence;

4. The return of all refugees, "regardless of their ethnic or religious affiliation", and free access to the refugees by the UNHCR and the ICRC:

5. The continuation of the political process started with Ibrahim Rugova, the moderate Kosovar Albanian leader, with the international community present as ob-

⁴⁹ Interview with United Press International.

servers and with a view to achieving the widest possible autonomy for Kosovo within Serbia:

6. An economic recovery plan for Serbia. Kosovo and Montenegro that have "been heavily damaged by NATO aggression."

288. In the interview, Mr Milosevic ingeniously presented a twisted version of the facts. The following quotes provide interesting examples of his reasoning:

- On the KLA: "That movement is Nazi in its character because of its publicly declared goals of a racially pure state ... Where can you find such a state in the world today ... Ethnically mixed states are the trend in the new global village. The Kosovar terrorists were trying to reverse a global phenomenon".
- Asked about mass expulsions: "We reinforced our forces after Rambouillet for a major offensive against KLA terrorists. not to ethnically clean Kosovo as was done with the expulsion of 500 000 Serbs from Croatia. which was ignored by the world media. And the refugees were fleeing because of the war against the terrorists and also because of disinformation horror stories being spread by the terrorists ...".
- On the economy: "We are all market economies now In fact. Yugoslavia is a little bit ahead in this respect, having started before the collapse of the Soviet Union and communism... Parallel with this was the process of privatisation which we started long before our former communist neighbours".

The G8 proposal

289. An important development took place at the meeting of the G8 foreign ministers – representing Canada. France, Germany, Italy. Japan, the United Kingdom and the United States plus Russia – in Bonn on 6 May 1999 At that meeting, the ministers adopted the following declaration "1. The G8 forcign ministers adopted the following general principles on the political solution to the Kosovo crisis:

- immediate and verifiable end of violence and repression in Kosovo.
- withdrawal from Kosovo of military, police and paramilitary forces;
- deployment in Kosovo of effective international civil and security presences, endorsed and adopted by the United Nations, capable of guaranteeing the achievement of the common objectives;
- establishment of an interim administration for Kosovo to be decided by the Security Council of the United Nations to ensure conditions for a peaceful and normal life for all inhabitants in Kosovo;
- the safe and free return of all refugees and displaced persons and an unimpeded access to Kosovo by humanitarian aid organisations;
- a political process towards the establishment of an interim political framework agreement providing for a substantial self-government for Kosovo, taking full account of the Rambouillet accords and the principles of sovereignty and territorial integrity of the Federal Republic of Yugoslavia and the other countries of the region, and the demilitarisation of the KLA:
- comprehensive approach to the economic development and stabilisation of the crisis region.

2. In order to implement these principles, the G8 foreign ministers instructed their political directors to prepare elements of a UN Security Council resolution:

3. The political directors will draw up a road map on future concrete steps towards a political solution to the Kosovo crisis;

4. The G8 presidency will inform the Chinese Government on the results of today's meeting; 5. Foreign ministers will reconvene in due time to review the progress which has been achieved up to that point "

290 The Bonn meeting of the G8 was an important step because, for the first time since the air strikes started, Russia agreed with the basic principles for a political solution of the Kosovo conflict.

291 The declaration was considered to be one step further towards a UN resolution which would include the deployment of an international force in Kosovo while, at the same time, the FRY could be seen as being more isolated from the international community. It reiterated the essence of principles which had been stated earlier by the EU and NATO, but some phrases were adapted in order to help secure Russia's agreement.

292 The declaration mentioned the deployment of "effective international civil and security presences, endorsed and adopted by the United Nations" and left out any mention of NATO military forces which until then had been a condition of most western countries and a taboo for Russia Western countries also agreed to stipulate that an interim peace agreement should take full account of the principles of sovereignty and territorial integrity of the FRY and include the demilitarisation of the KLA.

293. Among the questions which remained unresolved and would still cause many problems in further negotiations towards a settlement were the precise composition and mandate of the peacekeeping force, which Yugoslav forces and how many should withdraw from Kosovo, at what stage the air strikes should be suspended and whether a peace settlement could be imposed without Mr Milosevic's agreement

294 The Russian Foreign Minister was quoted as saying that "without the agreement of the state, nothing is possible"⁵⁰

295 In Moscow, however, the Ministry of Foreign Affairs made it clear that a future UN Security Council resolution should refer to Chapter VII of the UN Charter, implying that a settlement could be imposed upon Belgrade. The Foreign Minister remained adamant about the Russian principle that it was impossible to start seeking a real settlement if NATO air strikes continued⁵¹.

296. Just before the Bonn G8 statement. President Clinton acknowledged that he expected Mr Milosevic to be involved in any settlement over Kosovo, whereas he had previously maintained that the Yugoslav President's war crimes had made it impossible for him to remain in power in the FRY.

297 A point worth noting is that the G8 declaration mentioned an interim administration for Kosovo to be decided by the UN Security Council while the Rambouillet plan envisaged an elected government led by ethnic Albanians in an autonomous Kosovo within the FRY.

298 Mr Ibrahim Rugova, whom the Serbs allowed to go to Rome, immediately gave broad support to the G8 declaration, adding that the deployment of an international peace force in Kosovo consisting of forces from NATO and other countries and the withdrawal from the province of Serb forces were key conditions⁵² However, at that time Mr Rugova's position as a representative of the Kosovar Albanian community was not clear. He had been exploited by Mr Milosevic when under surveillance in Pristina, but his regained freedom was supposed to bring him back on the scene. The Russians certainly preferred to deal with him rather than with the KLA representatives. The KLA's provisional government insisted on the deployment of a force under NATO command and ruled out a UN force. It also rejected the G8's demand for disarmament of the KLA, something which had been accepted by the Kosovar Albanian delegation in Paris when it signed the Rambouillet plan.

(f) A peace settlement for Kosovo

299. In the weeks that followed, intensive talks were held between representatives of the United States. Europe and Russia in order to clarify a number of points in the G8 proposal. Understandably, the western Allies wanted to be sure that Russia would participate fully in a peace settlement over Kosovo. The EU nominated the President of Finland, Martti Ahtisaari, as its special representative. The United States put forward its Deputy Secretary of State, Strobe

⁵⁰ International Herald Tribune, 7 May 1999.

⁵¹ Le Monde, 8 May 1999.

⁵² Financial Times, 7 May 1999.

Talbott. and Viktor Chernomyrdin continued to represent Russia in the talks The discussions between the Allies and Russia concentrated on the composition, command and status of the international peacekeeping force to be deployed in Kosovo.

300. By the first week of June, following an intensive round of shuttle diplomacy between the capitals involved, the various participants in the talks had found enough common ground to present a peace plan to Belgrade

301 On 28 May, the government in Belgrade announced that it accepted the G8 proposal without, however, specifying how it intended to comply with it. This acceptance was confirmed in a letter from the Yugoslav Foreign Minister to the German Foreign Minister, also without further specification. President Ahtisaari, Mr Chernomyrdin. Mr Talbott and the EU President-in-Office, Chancellor Gerhard Schroder, finally met in Bonn on 1 and 2 June to discuss the details of the G8 proposal.

302. President Ahtisaari and Mr Chernomyrdin then went to Belgrade on 3 June to present a tenpoint peace plan to the Serbian Government which was not negotiable After the Serbian Parliament had voted to accept the plan by 136 votes in favour and 34 against, the government then declared it accepted (see Appendix).

303. In an apparent sign of deep mistrust of any undertakings given by President Miloscvic, NATO leaders announced that air strikes would continue until a verifiable withdrawal of Serb forces took place but it was reported that the operation would be scaled down to take account of the "new political situation"⁵³.

304. On 5 and 6 June, a Yugoslav military delegation led by Deputy Chief-of-Staff General Svetozar Marjanovic, and a NATO military delegation led by Lieutenant General Sir Michael Jackson met in Kumanovo (FYROM) to define the modalities of the withdrawal of Serbian troops from Kosovo and the entry of a first NATO contingent. On 6 June, the talks were suspended for lack of agreement. The Serbs also called into question the principle of a total withdrawal of their forces. Finally, they argued that a document on their withdrawal and the entry of

NATO troops into Kosovo could not be signed until a UN Security Council resolution on a settlement of the conflict had been adopted⁵⁴.

305 In the meantime, a text was being drafted for approval by the G8 Foreign Ministers who were to meet in Bonn on 7 and 8 June After approval, this text on a peace settlement in Kosovo would be the basis for a UN Security Council resolution to be adopted later that week.

306 It was noted that the UN Security Council resolution would not specify the details of the organisation of the international military peacekeeping force in Kosovo. KFOR The deployment zones of the different units of this force and its command structure were being discussed by the military authorities of NATO and Russia. European governments emphasised that the UN Security Council resolution should be adopted before KFOR entered Kosovo. Both the United States and the European allies noted that the air strikes could be suspended only after an agreement on the modalities of the withdrawal of Yugoslavia's armed forces from Kosovo.

307 President Milosevic was not allowed to negotiate over the G8 peace plan presented to him by the Ahtisaari-Chernomyrdin delegation – his options being either to take it or leave it The new plan was considerably different from the Rambouillet proposal which he had refused to accept.

308. Whereas the Rambouillet plan stipulated virtually limitless access for NATO-led troops across the whole territory of the FRY, the G8 peace plan speaks only of the deployment in Kosovo, under UN auspices, of an "international security presence with an essential NATO presence", which may suggest that such military units will not be able to move into Serbian territory, while Mr Milosevic can explain to his people that the force in Kosovo is a UN force.

309. The Rambouillet proposal implied that a referendum on independence could be held in Kosovo at the end of a three-year period. The G8 peace plan mentions only the "establishment of an interim administration for Kosovo ... which the UN Security Council will decide" It also says that a political process will "secure essential autonomy for Kosovo with full taking into con-

⁵³ Financial Times, 5-6 June 1999

⁵⁴ Le Monde, 8 June 1999.

sideration of the ... principles of sovereignty and territorial integrity of the Federal Republic of Yugoslavia ..."

310 Observers have noted that there are ambiguittes in the G8 text which may in practice help to create an international protectorate in Kosovo, to be followed in due course by other settlements in the region

311 Albanian reaction to the G8 plan as accepted by Mr Milosevic was mixed. The plan mentions demilitarisation of the KLA and not its political and military transformation, as the Rambouillet plan did. Demilitarisation of the KLA is important for stabilising the situation in Kosovo, but it will only be possible if there are enough guarantees that Serbian armed forces and police forces will withdraw and that an international military force will protect the Kosovar Albanians who return to their homes. The more radical Kosovar Albanians argue that only independence of Kosovo can guarantee their security and they exclude the possibility of peaceful coexistence among Serbs and ethnic Albanians in the province⁵⁵. Many Albanians note that it will be difficult to create a democratic and stable Kosovo within a country which is neither one nor the other and whose leaders have been indicted for war crimes.

(g) Indictment of President Milosevic for war crimes and crimes against humanity

312. On 27 May 1999, the International Criminal Tribunal for the former Yugoslavia (ICTY) indicted President Milosevic for crimes against humanity and war crimes in Kosovo. Together with Mr Milosevic, four other Serbs in high office were indicted Milan Milutinovic, President of Serbia, Nıkola Saınovic, Deputy Prime Minister of the FRY and Mr Milosevic's special envoy in the Kosovo crisis, Vlajko Stojiljkovic, Serbia's Minister of the Interior in charge of its police forces and Dragoljub Ojdanic. Chief-of-Staff of the Yugoslav armed forces. They are accused of having "planned, instigated, ordered, committed or otherwise aided and abetted in a campaign of terror and violence directed at Kosovo Albanian civilians".

313. The indictment is based on the accounts of numerous refugees and on classified information

which was provided by a number of allied governments and which will only be published when the accused appear before the Tribunal. The Tribunal's chief prosecutor, Louise Arbour, did not exclude that possibility at a later stage Mr Milosevic will also be indicted for his role in earlier conflicts in Croatia and Bosnia and Herzegovina The ICTY has issued an international arrest warrant against the five indicted persons

314. International reaction to the indictments was varied. As might have been expected, the government in Belgrade described the action of the "non-existent tribunal" as "monstrous". Russia called it a political decision which seriously undermined the authority of the Tribunal and interfered with the peace process The Russian envoy, Viktor Chernomyrdin, said Mr Milosevic was a legitimately elected head of state with whom he would continue to negotiate China was also said to be worried about the possible negative consequences for the peace process Most of the allied leaders welcomed the indictment in public, but government officials admitted that it would not facilitate the negotiations over a peace settlement

315 What consequences the indictment will have for the role and position of Mr Milosevic remains to be seen but it is unlikely that he has any future as a well respected statesman.

(h) Some preliminary conclusions regarding the Kosovo conflict

316. Although a peace settlement seems to be within reach at the time of writing (8 June 1999), stability in south-eastern Europe can by no means be taken for granted unless, among other things, the European Union makes a sustained effort to assist and support all the countries in that region in the framework of a long-term programme. The Stability Pact for south-eastern Europe being proposed by the EU is a step in the right direction and therefore deserves to be paid the greatest attention

317. Europe prides itself on having taken the management and solution of a major crisis into its own hands but it has taken many years, thousands of victims on both sides and a major refugee crisis for a peace settlement to be forced upon the Federal Republic of Yugoslavia.

318 It would therefore seem useful to reflect on a number of elements which should be taken into

⁵⁵ Wall Street Journal, 4-5 June 1999.

account when drawing up the main lines of a future European policy for south-eastern Europe.

319 The Kosovo crisis began to smoulder in 1989 when Belgrade abolished Kosovo's autonomy. Europe did not take any decisive steps which could have helped to solve the conflict until early 1998 when a Serbian massacre of Kosovar Albanian civilians put the crisis in the limelight as a result of extensive coverage in the media. From that point onwards, Kosovo could no longer be ignored.

320. For too long Europe had remained passive and thus allowed a crisis situation to develop into a violent conflict There were several reasons why it was reluctant to act decisively in order to prevent an armed confrontation in Kosovo and it is worth recapitulating some of them here:

- the Dayton Peace Agreement of 1995, strongly supported by the Europeans, gave a new lease of political life to Slobodan Milosevic who had been praised for his flexibility and sense of realism after he had coerced his Serbian vassals in Bosnia to stop fighting and agree to a settlement. For a number of years he was untouchable because he was considered to be a key person in maintaining peace in Bosnia and the Balkans. The EU member states did not approve of Mr Milosevic's policy in Kosovo but did not want to interfere in Serbia's internal policy;
- in the preparations for Dayton, no European state insisted on an agreement which would also include a settlement for Kosovo, where a conflict was in the offing All the governments wanted a quick fix for Bosnia because everybody was tired of war. The US President needed an important foreign policy success for his re-election and no European country wanted to complicate the situation further;
- although Ibrahim Rugova and his party, the LDK, focused for many years on obtaining a peaceful settlement of the crisis, which was the result of Mr Milosevic's policy, they received no more than lukewarm support from western European states afraid of being

accused of interfering in a country's internal affairs.

- European states only started to take an interest in Kosovo with the emergence of armed resistance by the KLA bolstered by increasing support from a population which was tired of peaceful resistance without anything to show for it. Even a 1996 agreement between Slobodan Milosevic and Ibrahim Rugova on education for Kosovar Albanians in their own language was not implemented:
- terrorist action by the KLA increased inter-ethnic tension in Kosovo and deterred the European states from looking upon the KLA as a respectable partner with a role in the crisis but while it did not receive any serious or official support, neither was any action taken to stop the illegal flow of arms into Kosovo to equip the KLA. This provided Mr Milosevic with the arguments he needed for his brutal oppression of the Kosovar Albanian population, officially to eradicate terrorism, but with the intended side-effect of terrorising, displacing and deporting the majority of that population

321 The Kosovo conflict has also changed a number of premises in the European security equation which will have consequences for future action in this field. The sovereign rights of a European state over its territory have been challenged For the first time since the second world war, western Europe states and their transatlantic allies have used military means against a European country in order to force it to bring its policies into line with prevailing European standards.

322. NATO's reputation as the only effective and invincible military organisation in the world has also suffered some setbacks. Leaning on a massive US presence within the organisation. it portrayed itself as the most efficient and credible politico-military structure in the world. After more than six weeks of intensive air strikes. Mr Milosevic had still not given in to Western demands, which NATO over-confidently thought would happen within a few days. Nor had it prevented a humanitarian disaster, with massacres of civilians, ethnic cleansing and mass expulsion of the Kosovar Albanian population

323 NATO, despite being the only military organisation capable of managing large-scale operations, is subject to the same phenomenon as the United Nations which – in the opinion of NATO member states – was not capable of solving the Kosovo crisis. While there is no doubt that NATO has overwhelming military strength, its military capacity is subject to the political control of its member states which are not prepared to do much more than is judged acceptable by public opinion NATO has as little experience as other organisations of post-cold war crisis management, which apparently demands very specific skills and capabilities

324 NATO may have brought Mr Milosevic to his knees when he accepted the G8 proposal as presented by President Martti Ahtisaari and Viktor Chernomyrdin, but a peace settlement will not work without a UN Security Council resolution for which the agreement of both Russia and China is required, and each of them may want some concessions from the Alliance in exchange for their agreement

325 Europe, and in particular the European Union, has understood that it needs to take action to strengthen the common European policy on security and defence

326 At its Cologne Summit, the European Council declared that it was "convinced that the Council should have the ability to take decisions on the full range of conflict prevention and crisismanagement tasks defined in the Treaty on European Union, the "Petersberg tasks" This is an encouraging sign, but similar pronouncements have been made before and the question remains how and when the Cologne Declaration will be implemented.

327 Explaining the Cologne decisions, the German Minister of State for European Affairs. Gunther Verheugen, has already said that the text only regards "Petersberg missions" and nothing else He excluded operations such as the one in Kosovo being envisaged for a long time to come Unless Europe is capable of managing a Kosovolike crisis, its security and defence capability will be extremely restricted, not to say useless

X. Greece

328. In Greece, where the vast majority of the population as well as the mass media are sympathetic to the Serb nation, the present phase of the Kosovo crisis is seen as both a tragedy and a potential danger of widespread destabilisation in the Balkans Even putting aside orthodox solidarity (the Greek Church collected money to help the suffering Serb people) and the traditional friendship between the two nations (they have been allies since 1840), the mere possibility of a change in Balkan frontiers as a result of possible independence for Kosovo cannot help but be of concern to Greece, whose policy is clearly in favour of developing good relations. if possible with all its neighbours, in an atmosphere of political stability. Especially worrying is the possibility of destabilisation of FYROM through an uprising of its Albanian community, which threatens in the short term to lead huge numbers to take refuge in a country already saturated with foreigners, and in the longer term to upset the whole delicate balance of the region

Nevertheless. Greece seems determined to 329 show itself a faithful NATO ally Thus it has not opposed NATO's decision to launch air strikes against Yugoslavian targets and is clearly supporting extensive autonomy for Kosovo On the other hand, the Greek Government is trying to help defuse the crisis through diplomatic initiatives such as the meeting of senior foreign policy officials from Bulgaria, FYROM, Romania and Turkey, which took place in Athens on 19 April 1999 Prime Minister Similis, giving voice to the general conviction, declared publicly in New York that a political solution should be found. and at the same time strongly condemned Serbian operations in Kosovo⁵⁶ As regards the possible use of Thessalonika as a point of transit for NATO troops for any land operations against the Serbs, this is something Greece would clearly prefer to avoid. It should be noted, however, that neither the Greek Prime Minister nor the Minister for Defence have ruled out the possibility, with the Prime Minister stating in general terms that Greece should show itself a faithful NATO ally and the Defence Minister maintaining that to allow NATO troops passage would not contra-

⁵⁶ Athens News Agency, 19, 20, 22 April 1999.

vene the Greek Constitution⁵⁷. But both have ruled out any form of participation by Greek troops in such operations.

XI. Montenegro

330 At the start of the NATO air strikes, the President of Montenegro, Milo Djukanovic, denounced the "mad policy (on the part of Belgrade) of confronting the whole world" He also said that his country had done everything to prevent this "suicide venture" and referred to his government as "the only voice of reason in this region".

331. The Montenegrin Government condemned the air strikes but, at the same time, tried to foil attempts by the Yugoslav Federal Army to mobilise reservists in Montenegro, while continuing to criticise Mr Milosevic's policy Moreover, President Djukanovic maintained a free press in Montenegro, resisted Belgrade's demands that the media be subject to military censorship and granted accommodation to refugees from Kosovo whose numbers totalled 68 400 on 2 June 1999

332. At the end of May, President Djukanovic visited Bonn, Paris, London and Washington in order to win support for himself and his country. The federal government accused him of violating his "legal obligation and patriotic duty () to contribute to the defence of the country against NATO", and condemned him for visiting foreign capitals⁵⁸

333 After the imposition of the oil embargo against the FRY, declared by the EU and ten central and eastern European countries, the government of Montenegro suggested that it would continue to let oil enter its port facilities in Bar for "humanitarian purposes" This would not only cover the needs of humanitarian organisations taking care of the tens of thousands of refugees in Montenegro but would also help the government which is at a loss and may not be able to pay the police forces it has mobilised in order to protect itself against the federal armed forces. Later on, the Yugoslav army and navy seized control of Montenegro's borders and barred the entry of humanitarian aid and raw materials into the country

334 Rumours of an attempt by Belgrade to regain control of Montenegro with the help of the Yugoslav armed forces and to apprehend Mr Djukanovic have been circulating from the beginning of NATO's air strikes, which did not spare the territory of Montenegro. A government source in Montenegro has stated that between the end of March and the end of May 1999, the number of federal troops deployed on its territory increased from 9 000 to 35 000. The country will soon ask Belgrade to announce the end of the state of war which was declared at the end of March and to bring the number of federal soldiers back to the pre-war strength⁵⁹.

335. As early as 2 April, after President Milosevic replaced the military chief of the 2nd Yugoslav army in Montenegro with a Belgrade loyalist⁶⁰, and on several other occasions, NATO Secretary-General, Javier Solana, warned him that NATO would intervene if he attempted a coup against his reformist opponents in Montenegro President Djukanovic has recently strengthened his links with the Serb opposition and is considered in some western countries as a possible successor to Mr Milosevic.

336. Montenegro received the news of Belgrade's approval of a peace settlement with great caution and officials said that any move towards peace in Kosovo could shift the conflict into Montengro, partly because Mr Milosevic thrives in conflict situations⁶¹

337. President Djukanovic declared that after the peace settlement Montenegro would try to reach agreement with Serbia on the principles of democratic relations between the two republics If they succeeded. Montenegro would consider the Federal Republic of Yugoslavia an acceptable framework in which to realise its objectives If an agreement with Serbia was not possible, then the government would hold a referendum to decide on the future of Montenegro⁶²

⁶¹ Wall Street Journal, 4-5 June 1999.

⁵ Athens News Agency, 20 April 1999.

⁵⁸ Wall Street Journal, 31 May 1999.

⁵⁹ Le Monde, 5 June 1999

⁶⁰ Financial Times, 3-4 April 1999

⁶² Le Monde, 9 June 1999.

XII. A welcome regional initiative: the Multinational Peace Force South-Eastern Europe (MPFSEE)

338. In September 1998. Albania, Bulgaria, FYROM, Greece, Italy, Romania and Turkey signed an agreement to establish the MPFSEE At that time, many details still had to be worked out and this has now been done, as confirmed by the signing of a protocol in Athens on 12 January 1999.

339. The command of the force will rotate every two years among the seven participating countries, starting with Turkey in August 1999, to be followed by Greece in 2001. The same rotation principle applies to the seat of the force and the chairmanship of the politico-military committee The headquarters will rotate every four years between Bulgaria. Romania, Turkey and Greece, with Plovdiv (Bulgaria) as its first location. The Presidency and the seat of the military committee have been assigned to Greece for the first two years and will then rotate to Romania and the other participating states respectively.

340. The MPFSEE will not consist of a permanent contingent but will have a 2 000-strong brigade composed according to the specific missions it will have to accomplish. According to the September 1998 agreement, the force will be available for possible employment in UN- or OSCE-mandated NATO-led or WEU-led conflict-prevention and other peace-support operations, including peacekeeping, peacemaking, peacebuilding and humanitarian operations

XIII. European action in south-eastern Europe

(a) Partnership for prosperity?

341. On 9 March, speaking at a conference in London, NATO Secretary-General Javier Solana suggested establishing a "partnership for prosperity" for the Balkans. An effective settlement of the conflict in Kosovo should be the starting point for the entire Euro-Atlantic community to become engaged in creating the conditions for reconstruction and reconciliation. He rightly said that "without a comprehensive approach to the region's problems, we will never get beyond treating its symptoms".

342. The idea of a Marshall plan for southeastern Europe has also been given a sceptical reception Experts argue that the financial means provided may be insignificant in view of the dramatic situation At the same time, it is said that many of the economies concerned will simply not be able to absorb more aid. A number of them cannot cope with the present aid money being offered. If a plan is drawn up, it should be directed towards the development of infrastructures and the establishment of joint projects with western companies. It should encourage and guarantee foreign investment in the region and liberalise the flow of goods and capital between countries in the region These countries should be encouraged to cooperate more within the framework of a regional market, rather than individually trying to establish closer links with western countries and the EU

(b) Initial financial support

343. At the end of March it became clear that because of Serb violence and organised mass deportations of Kosovar Albanians to the borders of the province, neighbouring countries were facing a major crisis owing to the massive influx of refugees. On 7 April therefore, the European Commission proposed to provide an amount of ϵ 250 million to help countries in the region face the drastic consequences of the refugee influx, having already spent, in Kosovo, the ϵ 22 million available in the 1999 budget for humanitarian projects.

344 The \notin 250 million, which was to be released at short notice, would be divided into

- €150 million's worth of humanitarian aid, managed by ECHO;
- €100 million in economic aid to Albania, FYROM and Montenegro to make sure these countries would not be politically destabilised, and that refugees and displaced and deported persons would be assimilated and supported within the region, to maintain the prospect of a quick return to their own country.

(c) The Stability Pact for south-eastern Europe

345. In early April, the German Presidency of the European Union proposed that after the end of the Kosovo conflict, a "Stability Pact for south-eastern Europe" be concluded which should be the basis for reconstruction of the region as a whole. This stability pact would concern Albania. Croatia. Bosnia and Herzegovina, the Federal Republic of Yugoslavia and FYROM The European Commission has proposed concluding with each of these countries a "stabilisation and association" agreement. It is worth noting that only two of these five countries – Albania and FYROM – fulfil the political and economic conditions for such agreements, in particular, regarding democracy, human rights and a market economy.

346. In a communication adopted on 26 May 1999. the European Commission proposed - at the Council's request - a Stability Pact for south-eastern Europe. Although various bilateral agreements have been concluded between the EU and a number of countries in the region, including FYROM and Albania, the Commission's idea is to develop a global regional approach (in accordance with the strategy defined in 1996) which will also take in the FRY once it has met the basic conditions for cooperation with the EU The origin of the pact was a proposal from the German Presidency to which the European Council agreed on 14 April. It is part of the EU's joint strategy on the Balkans, as set forth at the European Council Summit in Vienna Commissioner van den Broek was given responsibility for the project which he submitted to the Commission as a whole on 20 May before forwarding it to the EU Council Given that the purpose of the pact is to establish a procedure for the region's economic regeneration and democratic stabilisation, it is to be seen as a project for the medium and longer term. A Council decision on the pact could be taken by the end of June as Mr Fischer said he wanted to convene a ministerial meeting on the matter before the end of the German Presidency of the EU^{03} .

347 As the pact is based on a global concept, action by the relevant EU institutions and the member states would also be accompanied by initiatives on the part of NATO, the Council of Europe, the major financial institutions (IMF, World Bank, EIB, EBRD) and the United States. Canada, Turkey, Russia, Japan and the United Nations It may also be opened to regional organisations and initiatives 348 The EU's main objective is to send a strong political signal to the states concerned with a view to speedier and more intensive rapprochement. As this is intended to lead to their integration in the "European family of nations", the EU wants to reassure those countries wanting to join that it will provide them with the means to do so. The Commission's project accordingly makes provision for them to take a number of avenues and proposes assistance to improve their political and economic situations. The various areas for cooperation proposed are outlined below.

349. *Democratisation:* developing institutions and strengthening civil societies support for free elections, assistance with education: freedom for the media; help with the police and justice system with a view to establishing the rule of law and effective public administration: development of a network of foundations for democracy.

350. *Trade* developing preferential trade schemes along the lines of agreements already concluded with Albania.

351. Economic and financial aid: although the total aid package for the region already stands at €732.6 million for 1999, the Commission rightly considers it to be far too low. Under the pact, there will be far more flexibility for using EU aid schemes and promoting private investment. The Commission also proposes to reduce – and even cancel – the debt owed by the states concerned and to channel some of the aid into multinational or cross-border cooperation between the countries of the region.

352 *Political dialogue* developing a multilateral dialogue at regional level between senior government officials or ministers for the purpose of setting up permanent arrangements for dialogue among the Balkan countries

353. Justice and internal affairs: promoting an independent judiciary and effective police forces. The Commission considers that WEU could have a role to play here on the basis of its experience in Albania. This area could include schemes to help fight drug-trafficking and assist with border controls as well as programmes designed to prevent migration to the EU.

354. When presenting the project. Mr van den Broek stressed that the eventual objective for the countries in question was their integration in

⁶³ See Bulletin Europe No. 7473, 28 May 1999

Euro-Atlantic structures with the process involved to constitute a half-way stage between Europe Agreements and association agreements. Commenting on the project in his capacity as Chairman of the EU Council. Mr Fischer said it should aim to create the conditions for a lasting peace that would make it possible for the countries of the region to become firmly rooted in the Euro-Atlantic community and be offered the prospect of EU membership Furthermore, at a conference held by the Centre for European Policy Studies. Mr Prodi confirmed that the priority for the European Commission he was to head would be to define a post-war strategy for the Balkans.

355 Referring to the matter of a timetable. Mr van den Broek gave the following information.

(a) the Commission would give priority to submitting – perhaps as early as this summer – a feasibility report on negotiations with FYROM, which could begin next autumn:

(*b*) negotiations with Albania could proceed on the same basis once it had taken a number of corrective measures:

(c) negotiations with the three signatory countries to the Dayton Peace Agreement (Croatia. Bosnia and Herzegovina and the FRY) would follow Croatia in particular had still not fully met some of the basic conditions laid down at Dayton regarding *inter alia* electoral laws, refugee issues and freedom of the media

356. Finally, Mr van den Broek pointed out that other countries in the region were associated in other ways with the process of building Europe As an example he referred to the EU accession procedure that applied to Bulgaria, Romania and even Hungary

357 Let us note that the funding for this pact has not yet been discussed although the Commission's new President, Romano Prodi, has indicated that it could be \in 5 billion per year⁶⁴ On 12 May 1999, the European Commission and the World Bank set up a task force which will coordinate the financial aid for reconstruction 358 On the other hand, the European Commission has asked the Council to draw a clear distinction between the stability pact for the five south-eastern European countries and the EU enlargement process which concerns ten central and eastern European countries and Cyprus In the framework of the enlargement process. "European association agreements" have been concluded with the countries involved⁶⁵.

(d) Sanctions against the Federal Republic of Yugoslavia

359. In late April the EU Council approved a proposal from the Commission for the implementation of a package of economic sanctions against the FRY. Among other things this includes: (*i*) a prohibition on the sale of oil products, (*ii*) restrictions on the movements of President Milosevic and members of his family and on Yugoslav ministers and senior officials; (*iii*) a freeze on the assets of the Yugoslav Government and state-owned companies; (*iv*) a ban on all flights between the FRY and the EU, (*v*) a restriction on the export of goods hable to help repair damage cased by the air strikes; (*vi*) a prohibition on the export of capital.

360 In a declaration issued on 14 May in Brussels, the countries belonging to the Europe Economic Area and the EU associated countries (Bulgaria, Czech Republic, Cyprus, Hungary, Estonia, Latvia, Poland, Romania and Slovenia, together with Iceland, Liechtenstein and Norway) agreed to apply the measures specified for the embargo.

361. Furthermore. NATO decided to reinforce the embargo aimed primarily at stopping deliveries of oil products and armaments. On 26 May, the Permanent Council of the Atlantic Alliance accordingly adopted a decision making provision for a naval "stop and search" operation although it stopped short – at the request of allies such as Italy and Germany which wanted to avoid confrontation with Russia – at using force, as envisaged under the United States plan for stepping up action to enforce the embargo At a meeting held in Washington on 26 April between representatives of NATO and the seven countries bordering on Yugoslavia (Albania, Bosnia and Herze-

⁶⁵ These countries are Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia

⁶⁴ Le Monde, 15 May 1999

govina, Bulgaria, Croatia, FYROM, Romania and Slovenia), the latter recorded their unreserved endorsement of NATO action.

(e) Enlargement of the European Union

362. While the importance of military security and political stability for the countries of central and eastern Europe should not be underestimated, it is generally recognised that it is socioeconomic stability and prosperity that are most conducive to peace. That is why the enlargement of the EU is the best policy to ensure peace and stability in Europe. Membership of the EU is therefore the ultimate objective of all the existing central and eastern European states

363 The EU has now started enlargement negotiations with Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia. Europe Agreements have been concluded with Bulgaria, Latvia, Lithuania, Romania and the Slovak Republic, which are applicants, but enlargement negotiations have not vet started. As part of the pre-accession strategy adopted at the Essen European Council in December 1994, the European Commission began, on 3 April 1998, an analytical examination of the acquis communautaire with these five countries In February 1999, the Commission published a White Paper for the purpose of providing a guide to assist these associated countries in preparing themselves for operating under the requirements of the EU's internal market. It identifies the key measures to be taken in each sector of the internal market and suggests a sequence in which the approximation of legislation should be tackled. Through PHARE, the EU is already providing assistance for such approximation and this will now be enhanced and adapted to the White Paper's recommendations

(f) The fight against organised crime and corruption

364. In order to reinforce the capabilities of central and eastern European countries and a number of ex-Soviet republics to fight organised crime and corruption, the European Commission and the Council of Europe in 1996 set up a joint programme called "Octopus I" to cover the period 1996-98 South-eastern European participants in this programme were Albania. Bulgaria, Croatia, FYROM and Romania

365. This programme has now been extended as "Octopus II", which is to run until 31 December 2000 Its objective is to achieve the adoption of all the acquis communautaire in the field of justice and interior affairs Octopus II includes intensive training and operations to assist officials, judges, representatives of the Public Prosecutor and police officers who, in their respective countries, are responsible for the fight against organised crime and corruption. Among the fields particularly envisaged are inquiry techniques, information exchange, cooperation between public bodies, protection of vulnerable authorities, international cooperation in the field of criminal law and measures to deal with economic offences

366. The Octopus programme is considered to be an important contribution to the reinforcement of legislative and constitutional reforms in the countries concerned

XIV. Conclusions

367. Europe does not want any more wars on its territory. After the peace settlement in Kosovo, armed conflict must be banned as an unacceptable method for solving disputes among European states or peoples Recent history has shown that south-eastern Europe is the region most prone to wars and armed conflict, not least because its instability is rooted in the complex mix of ethnic populations and the various territorial claims which are a consequence of centuries of foreign domination

368 What should be done to guarantee peace and stability in south-eastern Europe?

369 Both NATO and Europe will have to assume their responsibilities as the protagonists in a coordinated, long-term international policy to maintain peace. They will also have to accept that a sizeable foreign military presence will be needed, not just for a number of years but for decades in order to prevent destabilisation in Albania, Bosnia and Herzegovina, FYROM, Montenegro and Serbia, including Kosovo

370 Europe will have to bolster its common security and defence policy. The Amsterdam Treaty and the Cologne Declaration adopted by the European Council on 3-4 June 1999 are steps in the right direction. But words are not enough. Deeds are what are needed above all else. If Europe really wishes to implement its decisions, it must acquire state-of-the-art technology and improve its defence industrial base and military capabilities. It will have to carry out radical military restructuring and spend more on defence than the average of less than 2% of national GDP. If Europe is not prepared to do this, it will always remain a defence dwarf, dependent on US military capability. Indeed, the day will soon come when it will not even be able to operate alongside its transatlantic ally

371. Many decades of totalitarianism, followed by almost a decade of war and conflict, have left south-eastern Europe in a disastrous economic situation. In many countries of the region economic growth is slowing down. foreign investors` confidence is dwindling, trade routes and export markets have been lost and there is an everincreasing need for foreign aid. Security and stability will only increase if the entire population has a reasonable standard of living and if the national economies of the countries of the region have viable prospects for the future. The EU is assuming its responsibilities in this field by elaborating its Stability Pact for south-eastern Europe which will include a concerted effort to bring relief and economic growth to the region. At the same time, it holds out the prospect of the countries becoming part of the European Union.

372. The Kosovo peace plan currently being negotiated is ambiguous as regards the future status of the province. It affirms the territorial integrity of the Federal Republic of Yugoslavia (FRY) and the other states in the region and provides for the deployment in Kosovo, under UN auspices, of an international civil presence in order to provide an international civil presence in order to provide an interim administration and promote the establishment, pending a final settlement, of substantial autonomy in Kosovo In practice, Kosovo may become an international protectorate for the foreseeable future Most of the countries in south-eastern Europe prefer to maintain the existing borders, but it seems that this will only be feasible if minorities are given appropriate rights of self-government and if the countries involved respect the rules of democracy and protect and promote human rights

373 The return of refugees, deportees and displaced persons to their homes in Kosovo must be a priority, but this will only be possible in the presence over a long period of an international military protection force (KFOR) and the simultaneous demilitarisation of the KLA and other armed Kosovar Albanian groups The demilitarisation of the KLA, in particular, will be a delicate task since many Kosovar Albanians consider the movement to be the symbol of their resistance against the regime in Belgrade. On the other hand, the existence of a militia which is not subject to full democratic control cannot be tolerated.

374 Peace in Kosovo is essential, but there can be no lasting peace in the region if President Milosevic and his clique, indicted for war crimes and crimes against humanity, remain in power. They are neither able nor willing to provide the population of Serbia with democratic government and economic reform because they know full well that they could not survive in such an environment, and yet these are essential if Serbia is to have any chance of being part of a future integrated Europe. If Mr Milosevic's regime were to continue, it is almost bound to guarantee further trouble and conflict – Montenegro, Vojvodina, Sandjak, and perhaps others, may be next in line.

375. Europe must make every effort to help the Yugoslav people bring about true democracy in their country. There is no way of solving the massive problems of reconstruction, consolidation of democracy and human rights protection while Mr Milosevic remains in power.

APPENDIX

The ten points of the Kosovo peace plan

"In order to move forward toward solving the Kosovo crisis, an agreement should be reached on the following principles:

1. Imminent and verifiable end to violence and repression of Kosovo:

2. Verifiable withdrawal from Kosovo of military, police and paramilitary forces according to a quick timetable:

3. Deployment in Kosovo, under UN auspices. of efficient international civilian and security presence which would act as can be decided according to Chapter 7 of the UN Charter and be capable of guaranteeing fulfilment of joint goals;

4. International security presence, with an essential NATO participation, must be deployed under a unified control and command and authorised to secure safe environment for all the residents in Kosovo and enable the safe return of the displaced persons and refugees to their homes:

5. Establishment of an interim administration for Kosovo ... which the UN Security Council will decide and under which the people of Kosovo will enjoy substantial autonomy within the Federal Republic of Yugoslavia. The interim administration [will] secure transitional authority during the time [for the] interim democratic and self-governing institutions, [establish] conditions for peaceful and normal life of all citizens of Kosovo.

6. After the withdrawal, an agreed number of Serb personnel will be allowed to return to perform the following duties: liaison with the international civilian mission and international security presence, marking mine fields, maintaining a presence at places of Serb heritage, maintaining a presence at key border crossings;

7. Safe and free return of all refugees and the displaced under the supervision of UNHCR and undisturbed access for humanitarian organisations to Kosovo:

8. Political process directed at reaching interim political agreement which would secure essential autonomy for Kosovo, with full taking into consideration of the Rambouillet agreement, the principles of sovereignty and territorial integrity of the Federal Republic of Yugoslavia and other states in the region as well as demilitarisation of the Kosovo Liberation Army. The talks between the sides about the solution should not delay or disrupt establishment of the democratic self-governing institutions:

9. General approach to the economic development of the crisis region. That would include carrying out a pact of stability for south-eastern Europe, wide international participation in order to advance democracy and economic prosperity, and stability and regional cooperation;

10. The end of military activities will depend on acceptance of the listed principles and simultaneous agreement with other previously identified elements which are identified in the footnote¹ below. Then a military-technical agreement will be agreed which will among other things specify additional modalities, including the role and function of the Yugoslav, i.e. Serb, personnel in Kosovo:

The process of withdrawal includes a phased, detailed timetable and the marking of a buffer zone in Serbia behind which the troops will withdraw.

The returning personnel, the equipment of the returning personnel, the range of their functional responsibilities, the timetable for their return, determination of the geographic zones of their activity, the

¹ Other required elements: fast and precise timetable for the withdrawal which means for instance – seven days to end the withdrawal; pulling-out of weapons of air defence from the zone of the mutual security of 25 kilometres within 48 hours; return of the personnel to fulfil the four duties will be carried out under the supervision of the international security presence and will be limited to a small agreed number – hundreds, not thousands.

rules guiding their relations with the international security presence and the international civilian mission.

Suspension of military actions will happen after the beginning of the withdrawal which can be verified Discussion about the military-technical agreement and its reaching will not prolong the agreed period for the withdrawal "

IMPRIMERIE ALENÇONNAISE Rue Édouard-Belin : 2º trimestre 1999 N° d'ordre : 44011

PRINTED IN FRANCE

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