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**Latest developments in south-eastern Europe**

**REPORT**

submitted on behalf of the Political Committee  
by Mrs Durrieu and Mr Micheloyiannis, Rapporteurs

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*submitted on behalf of the Political Committee<sup>2</sup>  
by Mrs Durrieu and Mr Micheloyiannis, Rapporteurs*

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<sup>1</sup> Adopted unanimously by the Committee.

<sup>2</sup> *Members of the Committee:* Mr Baumel (Chairman); MM Blaauw, N ... (Vice-Chairmen); MM de Assis, Bianchi, Behrendt, Brancati, Sir Sydney Chapman (Alternate: *Hancock*), MM Clerfayt, Cusimano (Alternate: *Amoruso*), Mr Dias, Mrs Dumont, Mrs Durrieu, MM Ehrmann, Evangelisti, Eyskens, Fayot (Alternate: *Glesener*), MM Haack, Hornhues, Lord Kirkhill, MM Lemoine, Liapis, Marshall, *Martínez Casañ*, *Micheloyiannis*, Nagy, Lord Ponsonby, MM *Puche Rodríguez*, Recoder (Alternate: *Arnau Navarro*), MM *Roseta*, Schmitz, Skoularikis, Sterzing, *Timmermans*, Van der Linden, Volcic (Alternate: *Mrs Squarcialupi*), Mr Wray (Alternate: *Vis*), Mr *Yañez-Barnuevo*.

*Associate members:* MM *Gundersen*, *Kosmo*.

N.B. *The names of those taking part in the vote are printed in italics.*

- (b) Bosnia and Herzegovina
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The Assembly,

- (i) Satisfied that international intervention put an end to the intolerable human rights violations which President Milosevic's regime perpetrated on a massive scale against the Albanian population of Kosovo;
- (ii) Welcoming the fact that, initial differences between the countries concerned having been resolved, it was possible to achieve unanimity in the UN Security Council and to adopt Resolution 1244 as the basis for joint international action to restore peace and stability in Kosovo;
- (iii) Noting that UN Security Council Resolution 1244 envisages the establishment of an international civilian presence in Kosovo providing an interim administration under which the people of Kosovo "can enjoy substantial autonomy within the Federal Republic of Yugoslavia... while establishing and overseeing the development of provisional democratic self-governing institutions";
- (iv) Considering the responsibility the international civil presence has to promote "the establishment, pending a final settlement, of substantial autonomy and self-government in Kosovo, taking full account of annex 2 and of the Rambouillet Accords"; facilitate "a political process designed to determine Kosovo's future status, taking into account the Rambouillet Accords" and, in a final stage, oversee "the transfer of authority from Kosovo's provisional institutions to institutions established under a political settlement";
- (v) Noting that international support for substantial autonomy and self-government in Kosovo will be called into question if Kosovar Albanians are unable to respect the rights of minorities – including Serbs and Roms – on the territory of Kosovo;
- (vi) Emphasising that under Resolution 1244, Kosovo is not intended to be a protectorate but an entity where citizens have responsibility for self-governing institutions able to provide the conditions necessary for a peaceful and normal life for the entire community;
- (vii) Noting in particular the situation in Mitrovica, where a Serb enclave has been established *de facto*, and Orahovac, where civilian road blocks have prevented a Russian KFOR unit from entering the town since last August;
- (viii) Considering that the highest priority should be given to addressing the issue of the 5 000 or so missing persons whose fate and whereabouts are unknown – among them both Kosovar Albanians and Serbs – for while that matter remains unresolved, reconciliation between ethnic groups seems highly problematic;
- (ix) Noting that, owing to the fact that commitments regarding personnel and funding have not yet been honoured, the human and financial resources urgently needed for full implementation of UN Security Council Resolution 1244 are still not in place;
- (x) Noting that neither the UN Security Council Resolution nor the Rambouillet Accords offer any indication as to what the terms "final settlement" and "Kosovo's future status" in fact mean;
- (xi) Noting that the multinational armed forces and international organisations have failed to deliver the immediate emergency support called for by the situation in Kosovo and the terms of their mission there;
- (xii) Noting that, at present, an overwhelming majority of the countries involved in restoring peace and stability in the region are not in favour of the independent Kosovo advocated by many, if not all, Kosovar Albanian political leaders;

- (xiii) Aware that a Greater Albania plays no part in the aspirations of the Kosovar Albanian leadership or of the present Albanian Government, which regards the idea of such an entity within the region as utopian and unrealistic;
- (xiv) Convinced that full implementation of UN Security Council Resolution 1244, including the establishment of provisional institutions for democratic self-government, will take some considerable time;
- (xv) Noting that the international community responsible for the status of Kosovo, being fully apprised of the fact that an overwhelming majority of Kosovar Albanians aspire to full independence sooner or later, should keep a tight hold on the situation and not allow itself again to be overtaken by events;
- (xvi) Considering that under such circumstances priority should be given to full implementation of UN Security Council Resolution 1244, including making available the financial and human resources and military and police forces that are urgently needed for UNMIK to operate effectively and carry out its tasks to the full;
- (xvii) Taking the view that local elections leading to the establishment of some form of democratically elected authority must be organised in 2000, so as to legitimise administrative power in the lower tiers of local government;
- (xviii) Noting that, while Albania is still grappling with the deleterious effects of recent consecutive crises, it is making an effort to consolidate its democratic institutions and transform and develop its economy;
- (xix) Aware that restoration of public order and security is one of the priorities of the Albanian Government, but noting that continuous technical and financial support from the international community is required to achieve this vital objective;
- (xx) Noting with satisfaction that FYROM provided ample evidence of political maturity throughout the Kosovo conflict, notwithstanding the massive influx of refugees across its borders;
- (xxi) Emphasising, however, that Europe should continue to follow developments in these countries closely and provide the financial and other assistance urgently needed to further transform, consolidate and develop their economies, and, if necessary, should also deploy military force to guarantee internal peace and stability and harness them ever more closely to the European Union;
- (xxii) Emphasising that, notwithstanding the fact that peace has been established, the current situation in Bosnia and Herzegovina still gives rise to concern in view of the fact that corruption is rife, negligible progress is being made with refugee returns and urgently needed reforms to the economy, judiciary and police and also that little headway has been made towards the multi-ethnic society advocated in the Dayton Peace Agreement;
- (xxiii) Welcoming the Government of Montenegro's denunciation of Serbia's policy towards Kosovo and the steps it has taken towards economic development and democracy;
- (xxiv) Concerned, however, at the idea that the negotiations over what Montenegro describes as a more equal relationship within the FRY might fail, notwithstanding reassuring public statements from both President Milosevic and President Djukanovic, since there is no guarantee that Montenegro, having withstood the crisis in Kosovo, can cope with the way the situation is developing;
- (xxv) Noting that a change of government in Belgrade is scarcely imminent and that European countries that aspire to peace and stability in south-eastern Europe should continue to support Serbian opposition parties seeking to end Serbia's isolation in Europe and bring about its integration, as a democratic state, in Euro-Atlantic structures;
- (xxvi) Convinced that integration in the European Union is the ultimate destiny of all the states of south-eastern Europe, whilst being aware that this can only come about if those states fulfil the necessary conditions in terms of, *inter alia*, democratic institutions, human rights compliance and a viable market economy;

(xxvii) Welcoming the adoption of the Stability Pact for South-Eastern Europe and the activities of the different Working Tables, and assuming that the European Union will very soon provide adequate financial and human resources to put the aims of the Pact into effect,

#### RECOMMENDS THAT THE COUNCIL

1. Ask the European Union to make available at short notice its full share of the financial and human resources urgently needed for UNMIK to operate effectively and carry out its tasks to the full;
2. Ask the European Union to make every effort to prevent the outbreak of further violence in south-eastern Europe and finally establish lasting peace and stability in that region:
  - by closely watching developments in Kosovo, where some indigenous political forces are clearly trying to force the creation of a mono-ethnic Kosovar Albanian state;
  - through a continuous dialogue with the Government of Montenegro, which seems to be set on gaining as much independence as possible from Serbia;
  - through intensive discussions with all the countries in south-eastern Europe where the relevant questions are being addressed in order to arrive at appropriate solutions that take account of their differing and at times divergent interests;
  - through continuing support for the long overdue transformation of the economy and urgently needed institutional reform in Bosnia and Herzegovina to turn it into a viable country that is not forced to survive on foreign donations;
  - through continuing support to MAPE's mission for restructuring and strengthening Albania's police forces to enable them to carry out their priority task of fighting crime including smuggling and arms and drugs trafficking;
  - by promoting closer cooperation through bilateral, trilateral or multilateral arrangements between the countries of the region, thus encouraging them to take their destiny into their own hands and preparing them for enhanced cooperation with the European Union, which in due course should lead to their eventual accession to the European Union;
  - by pointing out firmly to relevant authorities that an early solution to the issue of missing persons in both Bosnia and Herzegovina and Kosovo deserves the highest priority, and that it will contribute to easing the tension between the different ethnic groups in those areas;
3. Ask the European Union to provide in the very near future sufficient financial and human resources to achieve the objectives of the Stability Pact for South-Eastern Europe.

*Explanatory Memorandum*

*(submitted by Mrs Durrieu and Mr Micheloyannis, Rapporteurs)*

*I. The state of affairs in Kosovo*

1. Notwithstanding the up-beat assessments of those who have visited Pristina recently, the conflict raging until June 1999 caused widespread destruction in Kosovo. At the moment, there are still some 500 000 displaced persons and, according to the European Commission, around 300 000 people facing the possibility of winter without adequate accommodation. Aid organisations estimate that about 120 000 houses – half of the total number in Kosovo – have been damaged in some way. The UNHCR says that it will be able to repair 50 000 houses this winter. Aid is coming in more slowly than expected.

2. The economy is in very bad shape, with an industrial infrastructure that has become dilapidated after ten years of neglect. The United Nations administration has fallen behind in many respects. Pledged donations are coming in very slowly or not at all, and the UN has problems in meeting the cost of government, including the salaries of public employees.

3. The ambiguity of UN Security Resolution 1244 tasking UNMIK to administer Kosovo while preserving the fiction that the sovereignty and territorial integrity of the FRY are not affected does nothing to ease the situation. Kosovo has no tax system, a provisional legal system is being established because Kosovar Albanians refuse to live under the legal system that prevails in the FRY and Kosovo is acquiring many of the attributes of sovereignty because Serbia is unable to exercise sovereign rights over Kosovo, even if these have not been abolished.

4. After his first visit to Kosovo in October 1999, UN Secretary-General Kofi Annan stated that the United Nations was having difficulty administering Kosovo because of the “built-in tension and considerable ambiguity” of Security Council Resolution 1244. He also maintained that tension between the Kosovar Albanians, who want an independent Kosovo, and the United Nations, which is administering Kosovo as a self-governing autonomous region of Yugoslavia, will mount as time goes by<sup>1</sup>. In his view, more re-

sources were needed for the UN administration in Kosovo.

5. The anomalous position of Kosovo became even more obvious when in September, the United Nations established a customs service – which has already begun to collect customs duties – appointed a Supreme Court and began consultations on drafting a legal framework for Kosovo’s economy and also adopted the German mark as the official currency of the province. Registration of the Kosovar population, essential for the organisation of democratic elections and the introduction of social services and a tax system, started on 1 October.

6. In the following paragraphs, the situation in Kosovo will be dealt with in more detail.

*(a) Activities of UNMIK  
and other international organisations*

*(i) Main tasks*

7. On 10 June 1999, the United Nations Security Council adopted Resolution 1244 putting an end to the NATO air strikes in Kosovo and bringing about an interim settlement. The resolution reaffirmed that Kosovo was part of the Federal Republic of Yugoslavia (FRY) but also set up UNMIK (the United Nations Interim Mission in Kosovo) and the Kosovo Force (KFOR), a security force under NATO authority.

8. KFOR’s role is to supervise the withdrawal of Yugoslav forces and the demilitarisation of Kosovo and to maintain public order until such time as a police force and local civilian administration are in place. KFOR is essentially concerned with security. It is there to prevent a new explosion of hostilities and maintain public order in Kosovo. The role of KFOR is discussed in full in a report of the Defence Committee (Document 1670).

9. UNMIK’s task is to reshape and rebuild Kosovo and prepare the province for elections and possible autonomy. It is to operate in all areas of civilian administration, from the police to the banking system, from re-establishing the postal and telecommunications service to organising elections. Working in partnership with the population of Kosovo, UNMIK is responsible for

<sup>1</sup> *International Herald Tribune*, 21 October 1999.



carrying out basic administrative functions and supervising the setting up of independent democratic institutions on a provisional basis so as to guarantee all Kosovar citizens normal living conditions in a climate of peace.

10. UNMIK comprises four sectors or "pillars", corresponding to its four main tasks: civilian administration, humanitarian support, democratisation and strengthening of institutions and reconstruction. Four international organisations are each responsible for one of these pillars and are working together within UNMIK. The civilian administration is the direct responsibility of the UN which has divided up Kosovo into five sectors and appointed international civilian administrators to each. The administrators have power in the region and supervise the reintegration of staff into public institutions and the latter's smooth-running and modernisation. The United Nations High Commissioner for Refugees (UNHCR) coordinates the whole range of humanitarian aid and emergency housing. The Organisation for Security and Cooperation in Europe is responsible for democratisation and strengthening institutions. Last but not least, the European Union is in charge of reconstruction.

11. UNMIK has considerable authority in Kosovo as it holds the ultimate legislative and executive power in the province. Thus until legitimate local government can be set up following free elections, UNMIK is the embodiment of government and its role is to administer the province and ensure compliance with the rule of law. The Head of the Mission, former French Health Minister Bernard Kouchner, is the Special Representative of the United Nations Secretary-General and the highest-ranking civilian administrator in Kosovo. As Mr Kouchner explained to the French newspaper *Le Monde*, the creation of an administration which is *de facto* an autonomous government in Kosovo, albeit one located within a sovereign state "is an awe-inspiring task, precisely because there are no precedents". Kosovo is now in practice a UN protectorate.

12. Herein lies the major contradiction in the peace agreement. Resolution 1244 which put an end to hostilities confirms Yugoslavia's sovereignty over the whole of its territory and the inviolability of its borders. At the same time it establishes a *de facto* international protectorate in Kosovo giving the UN Special Representative

to all intents and purposes all the prerogatives of sovereignty. This is a contradiction which in practice raises an enormous amount of difficulty. Kosovo is still part of Yugoslavia but that in itself no longer means anything.

(ii) *Establishing a legal system*

13. Kosovo is a legal vacuum where the UN has to rebuild a fair and independent legal system.

14. On 25 July 1999, the UN administrator in Kosovo, Bernard Kouchner, promulgated "Regulation No. 1" or the "Mother of Laws", providing UNMIK with a legal basis for the exercise of the full powers of government envisaged by United Nations Security Council Resolution 1244. The main points are as follows:

- legal and executive powers in Kosovo, including the administration of justice are vested in UNMIK and exercised by the Secretary-General's Special Representative;
- the Secretary-General's Special Representative appoints whomsoever he sees fit, with power over them of subsequent dismissal, to discharge the functions of the civilian administration in Kosovo, including judicial functions. Such duties can be carried out in accordance with the existing law and rules promulgated by UNMIK;
- in carrying out those duties, any person with responsibility for a public function or duties must not be guilty of discrimination and must comply with internationally recognised rules governing human rights, such as the Universal Declaration of Human Rights and Fundamental Liberties, and international pacts on civil and political and economic, social and cultural rights;
- the laws that applied on Kosovar territory prior to 24 March 1999 continue to apply, provided they are not opposed to the rules referred to above, the discharge of UNMIK's mandate or any regulation enacted by it;
- in the exercise of the duties entrusted to it, UNMIK may enact legislation in the form of regulations. These will remain

in force until repealed by UNMIK or until the latter's replacement by institutions emanating from a political settlement in accordance with UN Security Council Resolution 1244;

- UNMIK will administer movable and immovable property, including bank accounts and other property belonging to the Federal Republic of Yugoslavia or the Republic of Serbia, or any one of their agents on the territory of Kosovo.

15. On 4 July, UNMIK released a declaration recognising KFOR's right to stop and detain any individual suspected of having infringed security and public order, including the commission of serious crime (murder, rape, kidnapping, arson or war crimes). The declaration also recognised the right of detainees to due process of law, in other words the right to an early hearing before a court and to access to counsel for the defence and to their family. The present legal vacuum prevents sentence being passed on those in detention.

16. One of UNMIK's first initiatives has therefore been to start assembling an independent, multi-ethnic judiciary. As long ago as 1990, the Belgrade regime replaced all Albanian judges and public prosecutors with Serbs. The head of UNMIK has appointed a Committee for Legal Provisional Appointments whose task it is to make recommendations on provisional magistrates appointments. This "Council of the Wise" comprises four Kosovar lawyers and magistrates (three Albanian and one Serb) and three representatives of the international community. The appointment of judges and prosecutors recruited from Kosovo's main ethnic communities has begun throughout the province. In total, 28 circuit judges and prosecutors have been appointed for a three-month probationary period. Four judges are Serbs, one is a gypsy, another a Turkish speaker, a seventh is a Muslim Slavonic speaker and the remaining 21 are Albanian. The fact that certain Serb magistrates remain in post is a major irritant but the United Nations, armed with its mandate, has started as it means to go on. Other appointments are expected. The first task of the appointees when in place will be to travel around Kosovo holding sessions to investigate individual cases of suspected crime by KFOR detainees.

17. There is much to be done, particularly in re-establishing the Supreme Court of Kosovo (removed in 1990), drawing up training programmes in national and international law and modernising Kosovo's prison system to bring it up to international human rights standards.

18. UNMIK must also deal with other legal problems of the utmost importance to Kosovo's entire population, for example, the issue of identity cards and other personal documents such as passports and driving licences destroyed by the Serbs during the war, in the absence of which travel outside Kosovo other than to Albania is impossible. It also has to set up an office to register applications for restitution of property and a tribunal with responsibility for examining disputes in this area.

19. However, after years of subordination, it is not only necessary to restore an independent judicial system but also to amend Yugoslav law, used as a weapon by Serb nationalists against the Kosovars. To retain the Serb penal code – a symbol of oppression – is consequently entirely unacceptable. Proposals have been advanced to reinstate the Kosovo code withdrawn by Belgrade in 1990 and supplement it with the Yugoslav code revised in line with international standards, as was done by Croatia and Bosnia.

20. Referring to the changed situation, the Secretary-General's Representative said: "This was a new beginning for Kosovo: the law had changed". The intention was to calm unrest arising out of Section 4 of Rule One which stated that the laws that applied in Kosovo prior to 24 March 1999 remained in force. This was interpreted by Kosovars as keeping in place Yugoslav laws which had in practice been an instrument of Serb repression in the province. A working group, attended by international experts, is therefore in the process of drawing up a body of law which is neither Serb nor Yugoslav. The work is being coordinated by the Council of Europe, which is to begin by cleaning up the existing laws – although the more glaring abuses, like the section forbidding Albanians and no one else from entering into property transactions, were done away with on the spot.

21. A human rights agency is to be set up in Kosovo, whose task it will be to deal with complaints concerning any form of abuse of power on the part of the civilian interim administration,

local institutions and any other persons claiming to exercise any form of authority. This "ombudsman" service must be empowered to conduct enquiries following human rights violations on the part of any individual or body in Kosovo and take measures to bring about their redress.

22. The International War Crimes Tribunal for the Former Yugoslavia is empowered to deal with all matters connected with inter-communal violence, be they acts of abuse perpetrated by Serbs or Albanians.

23. Too many of those who have committed war crimes or crimes against humanity are still at large. They will have to be arrested and they will have to account for their crimes before the tribunal in The Hague. If justice is not done, reconciliation will be very difficult and the danger will be that indiscriminate acts of vengeance continue to poison relations between different ethnic groups.

*(iii) A new currency*

24. A provision enacted on 3 September 1999 by the UN administration in Kosovo made the German mark, already in wide circulation, Kosovo's official currency. At the same time it discouraged the use of the Yugoslav dinar, without however making it illegal. UNMIK levies a tax on those who insist on payment in dinars. Any other currencies may be used but the German mark is the official currency of the provisional administration and international organisations for customs payments and public accounts. The legislation on the currency follows and supplements UNMIK's introduction of customs duties at the borders of FYROM and Albania.

*(iv) The creation of a police force*

25. The United Nations, NATO, the European Union and the OSCE all acknowledge that Kosovo's immediate priority has to be security.

26. UNMIK's civilian police force has been given two essential tasks. The first is progressively to take over police functions carried out by KFOR and temporary law enforcement.

27. All in all, UNMIK will deploy 3 100 United Nations civilian police officers in Kosovo for the interim period but at the end of October 1999 only 1 700 were in place. Mr Kouchner had asked for over 5 000. UNMIK's civilian police force includes groups of special officers which fulfil given public order functions, such as crowd con-

trol. In the initial phase, although KFOR is responsible for security and public order, UNMIK's international civilian police force advises KFOR on its civilian policing functions and makes contact with local communities.

28. UNMIK's second civilian policing task, following the example of Bosnia, is to create a competent and impartial Kosovar police force trained to have a democratic outlook. It therefore immediately began setting up the Kosovo police force, whose applicants are drawn from among the people of Kosovo, in consultation with the OSCE, and are representative of all the area's ethnic communities. A first contingent of 176 Kosovar policemen, including 8 Serbs, graduated from the newly created police academy on 16 October 1999.

29. Another problem has been that of how to integrate into the future civilian police force thousands of Kosovo Liberation Army members. In the eyes of some this is an immediate means of bringing them under control and then of getting rid of the less cooperative elements. However, others fear that UNMIK might in this way be training a dedicated KLA armed militia, with the risk of destabilisation that this entails for the future when KFOR is no longer present. There are also different opinions as to the form the police force should take. The KLA, the sole force to do battle with the Serbs prior to the allied bombings, feels it has won the right to independence and the various symbols of state sovereignty of which the army is one. Its leaders would like the force to resemble as closely as possible a fledgling army, while the UN and KFOR are laying maximum emphasis on its civilian character.

30. After three months of negotiations on the status of the Kosovo Corps, the signature of the KLA demilitarisation agreement on 20 September 1999 nevertheless represented a milestone in UN action or the end of one era and the beginning of another – according to General Jackson. The Kosovo Protection Corps (KPC) was born out of the ashes of the KLA. Founded by decree of Bernard Kouchner, the force is intended to become a civilian emergency service whose activity is under the day-to-day supervision of KFOR. Classified as multi-ethnic, the Kosovo Protection Corps must be 10% constituted from Kosovo's ethnic minorities, including Serbs. The Corps consists of a maximum of 5 000 uni-

formed officers, 2 000 of them reserves. Its functions are to provide protection against disasters, a search and rescue service, humanitarian assistance in isolated areas and assistance in mine clearance operations and to help rebuild communications networks and villages. The KPC has a rapid reaction unit and a guards unit, and back-up services such as engineering and communications. According to KFOR, the Kosovo Protection Corps is a strictly civilian organisation. It will not be a defence force, will certainly not be an army and will play no role whatsoever in maintaining law and order.

31. The KPC units that are currently operational are provisional units. The rigorous selection procedure for KPC officers will not be completed until mid-November. By the end of November 1999, the KPC will be multi-ethnic right up to the level of command posts.

32. The KPC will have a permanent arsenal of 750 weapons, including 200 Kalashnikov assault rifles and its members, under KFOR supervision, are able to make use of 1 800 other weapons. These figures are three times higher than those put forward by NATO during the negotiations. However, according to one UN senior official, the former KLA still has 100 000 weapons in its possession. Uniforms, pistols and a quasi-military chain of command have meant that Serbia has had a field day in criticising a Kosovo Protection Corps that appears to be none other than the KLA by a different name.

*(b) Political forces in Kosovo*

33. In accordance with UN Security Council Resolution 1244, which envisages "pending a final settlement", the "establishment of substantial autonomy and self-government in Kosovo", democratic institutions are now being developed. Political movements and forces, some of which came into being as early as the 1980s, are positioning themselves, in an environment of confusion, with an eye to the forthcoming democratic elections. The present political spectrum is wide-ranging, somewhat confusing and still subject to change. Moreover, the parties, generally speaking, do not have much of a political programme – apart from the overriding objective of independence for Kosovo, sooner or later. Although it has now been disbanded, mention is made here of the Kosovo Liberation Army (KLA or UÇK), not

only because, through its armed operations, the movement has forced the international community to become actively involved in Kosovo, but also because its leaders have played a major role in forming a provisional government and provisional local authorities. After the Serbian troops and police forces withdrew, the people welcomed the KLA as their liberation movement, but this image was soon tarnished by the many disgraceful criminal and violent acts committed by people claiming to represent the KLA.

34. At present, the main political parties in Kosovo are:

- the Party for Democratic Progress of Kosovo, founded in October 1999 by Hashim Thaci, former political chief of the now disbanded KLA. This new party does not necessarily have the support of all former KLA members and supporters. When the KLA began its armed struggle against Serbian rule, many joined this movement without giving up their allegiance to their own political party or organisation. Almost immediately after the armed struggle had achieved the withdrawal of the Serbian army and police forces and a provisional settlement, the KLA started to split up into different factions. The popularity of former KLA members with the populace is diminishing in view of the high-handed assumption of power by KLA representatives in cities and municipalities all over the province;
- the Democratic League of Kosovo (LDK) founded in 1989 under the leadership of its President, Ibrahim Rugova. In 1995, Bujar Bukoshi, Prime Minister of the LDK parallel government, who had collected money from the Kosovar Albanian diaspora for his "government's" activities, broke off ties with President Rugova. Many others left the LDK when the fighting started in early 1998. After the end of hostilities in early June 1999, Mr Rugova returned to Pristina, although not until early August. It seems that there is still considerable support for the LDK, not only because of its sound experience in organising services and activities for

the population during the years of passive resistance, but also because the rival KLA made mistakes and showed signs of abusing power by its appropriation of all the important positions in June 1999. The unofficial election of a Kosovar Parliament in March 1998 gave the LDK the largest number of seats and representation to three other parties: the Social Democratic Party, the Albanian Christian Democratic Party of Kosovo and the Liberal Party. The LDK did not join the provisional government set up at Rambouillet nor the Transitional Council as established under UNMIK provisions, where it has two seats;

- the United Democratic Movement was formed in 1998 as a coalition of seven parties, led by Rexhep Qosja. It maintained good relations with the KLA as it then was and some of its more prominent members sit in the provisional government. The United Democratic Movement is also represented on the Transitional Council. One of its components is the Parliamentary Party of Kosovo, founded by Veton Surroi and currently led by Bajram Kosumi. The United Democratic Movement still needs to be transformed into a single, stable movement, and it is not clear that this is happening as yet in view of the recasting of the various parties now taking place;
- the People's Movement of Kosovo. This movement was established as early as 1982, based on various communist splinter groups. In its early days, it had the support of Enver Hoxha's regime in Albania and the liberation of Kosovo from Serbia and a Greater Albania were its political objectives. Nowadays, the People's Movement of Kosovo is virtually non-existent, but it was the breeding ground for many prominent politicians who later joined the KLA or established the Christian Democratic Party;
- the Christian Democratic Party was formed in July 1999 and is presently

under the leadership of Bardhyl Mahmuti, Foreign Minister of the provisional government. Many of the Christian Democratic Party members came from the KLA or the People's Movement of Kosovo, but public declarations by the party leadership contain less radical language than those of the other two movements;

- the National Movement for the Liberation of Kosovo, led by Valon Murati. Two of its members are in the provisional government and practically all have been members of the KLA.

#### *Transitional Council*

35. In order to involve the people of Kosovo in the administration and control of the province, UNMIK has established a Transitional Council, with a multi-ethnic membership and advisory and consultative authority. Membership of the Council is as follows: two KLA representatives, two United Democratic Movement representatives, two LDK representatives, two Independents, two Serbs and two other minority representatives (one Bosnian and one Turk).

36. The Transitional Council held its first meeting on 16 July 1999, but has not been a great success. The LDK under Ibrahim Rugova did not want to join the Council because it did not agree with its membership, arguing that as the KLA and United Democratic Movement were in alliance, they were over-represented, and that the Christian Democrats should be included. The Council has nevertheless met several times with the LDK present because Mr Rugova did not want to give the impression of boycotting it. Recently, the two Serb representatives on the Council, Bishop Artemije and Momcilo Trajkovic, refused to participate in further Council meetings, on the grounds that they could no longer represent the increasingly radical views of the Serb community in Kosovo.

#### *Provisional Government*

37. The three Kosovar Albanian political movements represented at the Rambouillet talks in February 1999, the KLA, LDK and the United Democratic Movement signed an agreement on 23 February 1999 to establish a provisional government which would represent the Kosovar Albanian population until elections could be held.

The provisional government was established on 2 April 1999 with Hashim Thaci as Prime Minister, but Ibrahim Rugova and the LDK have refused to take up their seats as ministers in it, arguing that a too narrow section of the population is represented and that it therefore lacks legitimacy and authority.

38. UNMIK's official policy is not to recognise the self-appointed government of Kosovo but to set itself up as a separate authority and create its own services at the "national" level. It is, however, maintaining some form of unofficial relationship with members of the provisional government. UNMIK's relationship with local authorities is more complicated.

39. Immediately after its establishment in exile just after the start of the NATO air strikes, the provisional government under Hashim Thaci started to plan for the setting-up of local authorities. Once the conflict had ended, these were installed within days of the entry of KFOR troops into Kosovo. These local authorities were installed in 27 of Kosovo's 29 municipalities. The two remaining municipalities have a Serb majority. All of their mayors had been active in Kosovar Albanian politics before, mostly in the LDK, but without exception they had joined the KLA when the dispute with the Serbs turned violent in 1998. They are trying to provide an administrative framework for the reconstruction of life at local level. As these provisional municipalities have no income, they try to collect money in various ways and there are frequent reports of people being pressurised to make contributions. The provisional authorities tend not to be able to provide what people need most – help with reconstruction – but they are a useful source of knowledge and expertise. Many citizens, however, have serious complaints about the system of collection of contributions or taxes. They point out in particular that contributions are being gathered unsystematically and unfairly and that they see no visible results in return for their contributions. Others agree with the LDK's argument that the present provisional local authorities do not represent the entire political spectrum. It should, however, be noted that in many self-appointed local administrations, qualified people across the political spectrum are carrying out their functions without reference to any particular party line.

40. UNMIK is now confronted with the difficult task of running the municipalities in implementation of its mandate "to provide transitional administration while establishing and overseeing the development of provisional democratic self-governing institutions" (UN Security Council Resolution 1244, paragraph 10). UNMIK's administrators arrived months after the KLA representatives, with little clear guidance, and they suffer from lack of funds and a shortage of staff. Although, officially, UNMIK does not recognise the self-appointed mayors and their staffs, in most cases it has no choice other than to accept their presence and try and make the best of things. It has also set up local advisory boards on which representatives of relevant local political forces sit.

*(c) The situation of ethnic minorities in Kosovo*

41. The international organisations running Kosovo are trying to keep up the pretence of a multi-ethnic society. In reality, the ethnic minorities present in Kosovo, in particular Serbs, Roms, and Goranis (Muslim Slavs) are subject to harassment, killings and other acts of revenge and ethnic hatred. They are still being evicted daily from their homes by Kosovar Albanians who for the most part set their houses on fire to make sure that they do not come back<sup>2</sup>. Over 50 Serb Orthodox churches have been destroyed since June 1999. Many Serbs and Roms have left Kosovo, although KFOR troops try to protect them as best as they can. Estimates of the number of Serbs still living in Kosovo vary from 20 000 to 90 000, while KFOR puts the total number of other minorities remaining at some 75 000.

42. Feeling threatened by the continuing attacks on the remaining Serb population and seemingly also in response to the creation of the Kosovo Protection Corps largely made up of ex-KLA members, Serb representatives in Kosovo decided, on 18 October, to establish a Serb Protection Corps (Srpski Zastitni Korpus, SZK). They also came out in favour of the creation of

<sup>2</sup> A report on minorities in Kosovo released by UNMIK/OSCE in early November 1999 provided the following figures on criminal acts against ethnic minorities or moderate Kosovar Albanians between June and November 1999: 348 murders, 116 kidnappings, 1 070 lootings and 1 106 cases of arson.

Serb cantons in Kosovo, but this idea, which runs counter to a multi-ethnic Kosovo, has found no support with UNMIK.

43. The transformation of the KLA into a Kosovo Protection Corps (KPC) provoked a bitter reaction among the Serbian community in Kosovo. Its two representatives withdrew from the Transitional Council on 22 October alleging that the KPC was a military force and a continuation of the KLA under a new name.

44. On 24 October 1999, Kosovar Serbs established a Serb National Council of 49 delegates with Bishop Artemije as President of the Council and Momcilo Trajkovic as head of the Executive Board. The Council's objective was to protect the remaining Serbs in Kosovo and help create conditions for the return of those Serbs who were forced out. A week later, Mr Trajkovic was wounded at the door of his apartment in an attack by Albanian gunmen<sup>3</sup>.

45. A joint report issued by the OSCE and UNHCR in early November 1999 described the situation as "a climate of violence and impunity". Officials stated that there was growing evidence that forces in the Kosovar Albanian leadership were encouraging the formation of a mono-ethnic state<sup>4</sup>.

#### (d) Missing persons

46. In Kosovo, as in Bosnia, there is a missing persons problem that needs urgent resolution. The International Committee of the Red Cross has a list of some 1 900 Kosovar Albanian prisoners in Serbia, most of them arrested during the Nato air strikes between March and June 1999 and taken to Serbia just before KFOR entered Kosovo. Their fate is now being investigated. Thousands more are missing and may have been killed. According to Kosovar human rights and prisoners' associations, there are between 5 000 and 7 000 missing persons still unaccounted for. In early November 1999, the Prosecutor for the UN Criminal Tribunals for the former Yugoslavia and Rwanda, Ms Carla Del Ponte, reported that 2 108 bodies had been exhumed from graves dug during the Serb operations against Kosovar Albanians. She said that a total of 11 334 Kosovar Albanians had been reported as missing and

believed dead. It is obvious that the problem of missing persons must be dealt with as a matter of the highest priority as its solution is essential for the improvement of inter-ethnic relations in Kosovo.

#### (e) The future of Kosovo

47. The problem of Kosovo and its future status cannot be left to chance by the countries that have sponsored UN Security Council Resolution 1244. In any solution reached, the credibility of Europe, the United States and NATO in particular is at stake. The present situation in Kosovo could degenerate into the establishment *de facto* of a mono-ethnic state, notwithstanding the fact that the very reason why the West went to war was to defend the existence of a multi-ethnic one.

48. The overwhelming majority of Kosovar Albanians leave no doubt as to the fact that their political objective is an independent Kosovo. Although the choice between a multi-ethnic state, a mono-ethnic state and a further division of Kosovo into Serbian and Kosovar Albanian entities is there in theory, they know that arguments in favour of the latter two options will fall on deaf ears.

49. The idea of a "Greater Albania" including Albania and those parts of Kosovo, Montenegro, Serbia and FYROM inhabited by ethnic Albanians is viewed differently according to the individual or political party in question and the interests at stake. It also depends on whether one has in mind a cultural and ethnic Albanian community, or Albania as a political entity. In their discussions with foreigners, the Kosovar Albanian leaders prefer to treat Greater Albania as a rather vague notion. They maintain that the unification of all Albanians is not what they have in mind and for the time being their preoccupations lie elsewhere. It is clear that in general terms they want to be reassuring about this particular subject so as not to spoil the chances of discussions taking place on what they see as the more urgent problem of possible independence for Kosovo. The Albanian Government considers the idea of a Greater Albania an outmoded idea which is both utopian and unrealistic. Mr Berisha's opposition party, however, does not rule out the possibility of a "federation of free Albanians in the Balkans" if Albanians' rights are not respected<sup>5</sup>.

<sup>3</sup> *Financial Times*, 2 November 1999.

<sup>4</sup> *International Herald Tribune*, 6-7 November 1999.

<sup>5</sup> See also paragraph 68 of the present report.

50. The hypothesis of an independent Kosovo is a source of division among the international community, at a time when KFOR is warning the Kosovo Liberation Army (KLA) against any attempt to form an army – one of the sovereign attributes of a state. Russia, a traditional ally of Serbia, has threatened to withdraw its troops from Kosovo if the province were to move towards independence. The Serbs are the more concerned in view of the fact that the Americans do not seem to be categorically opposed to the idea of independence although the attitude taken by many European countries, including France, is far more reticent, if not hostile. The mere mention of the word referendum, a prelude to a recognised state of independence, is enough to send shudders down the spine of UN diplomats who fear that the Kosovo precedent might be invoked by the Kurds or Tibet.

51. Neither independent in law, nor Yugoslav in practice, Kosovo occupies a unique position in modern history; it is a “*terra incognita*”. The situation created in Kosovo is unprecedented and cannot be compared with any traditional system. Time and practice will clarify its feasibility.

52. There can be no lasting solution without consulting the people of Kosovo. The long-term objective is more political than legal or humanitarian. Far from being confined to guaranteeing security, peace and justice in Kosovo, the task that is set entails nothing less than bringing an entire region into the European fold by means of a daring plan for its moral and material restoration under European Union auspices with the aim of establishing democracy, lasting peace, stability and security.

## *II. The state of affairs in neighbouring states*

### *(a) Albania*

#### *(i) Political situation*

53. Developments in Albania have been discussed in many previous Assembly reports and the present report therefore refers only briefly to events in that country between 1991 and July 1999.

54. Since the first multi-party elections in 1991, Albania has been undergoing a slow and painful process of political and economic transformation.

55. The 1991 elections, leading to a Communist Party victory, were soon followed by massive public unrest and the new elections in 1992 that brought Sali Berisha and his Democratic Party to power. In the elections held in 1996, the Democratic Party was again victorious but the elections were declared fraudulent by the OSCE and international observers. The opposition parties, who had boycotted the voting also boycotted the new parliament. In March 1997, the scandal of the collapse of the highly popular pyramid investment schemes led to total chaos all over the country. European allies helped the Government re-establish order by sending in a European force (Operation Alba) from May to August 1997, followed by the WEU MAPE mission to help rebuild a national police force. Several countries, headed by Greece and Italy, provided assistance through bilateral programmes.

56. Fresh elections in June 1997 brought Fatos Nano's Socialist Party of Albania to power with 101 seats in the 155-seat parliament. Rexhep Mejdani succeeded Sali Berisha as the country's President. It was now the turn of Mr Berisha's Democratic Party, with 29 seats, to boycott Parliament's activities. The assassination of Azem Adjari, a well-known Democratic Party politician in September 1998, led once again to violent street riots and an attempted coup.

57. Although the Government survived the coup, Fatos Nano had to resign as Prime Minister and was succeeded by Pandeli Majko. In July 1999, the Democratic Party finally decided to end its boycott of parliament. More recently, internal party strife and power struggles have again got the upper hand in both Mr Nano's Socialist Party and Sali Berisha's Democratic Party. At the Socialist Party Congress on 9-10 October 1999, Mr Nano defeated Mr Majko in a contest for the party leadership and on 26 October, Mr Nano prevailed upon Mr Majko to resign as Prime Minister. Two days later, Ilir Meta, who is close to Mr Majko, was appointed Prime Minister.

58. At the same time, Mr Berisha has been working to tighten his grip on his own Democratic Party. He was re-elected Party Chairman at the end of September 1999 after Genc Pollo gave in to strong pressure and withdrew his candidacy a day before the Party Congress. In early October, Mr Berisha proceeded to replace Mr



Pollo in the role of Chairman of the Democratic Party's parliamentary group with Jemin Gjana, one of his own loyal supporters and Mr Pollo's successor as Deputy Chairman of the Democratic Party. This was challenged by Mr Pollo and other Democratic Party parliamentarians, who oppose Mr Berisha's policies.

59. In short, Fatos Nano and Sali Berisha are doing their utmost to regain and consolidate their hold over their respective parties. These two leaders dominate the political scene and their failure to agree could again cause destabilisation.

60. The chaos of spring 1997 dealt a severe blow to a country already considered the least developed in the region. Albania faces many problems. The country's police and armed forces have virtually to be rebuilt from scratch, criminal gangs control large tracts of the country and the economy is in a state of disruption.

61. Pandeli Majko's appointment as Prime Minister, in September 1998, gave rise to new hope for much-needed reconstruction of Albania. Mr Majko was one of the leaders of the student protest movement, which had played an important role in the demise of the Communist regime in 1991.

62. Prime Minister Majko's Government faced the same confrontational attitude from Mr Berisha, although a number of Democratic Party politicians, understanding that such behaviour stood in the way of political and economic renewal, have been more supportive. The Government succeeded in getting the new Constitution approved, but very soon after its fresh start, found itself completely overwhelmed by the consequences of the Kosovo conflict.

63. Although the border between Albania and Kosovo had for some time been a crossing-point for arms bound for Kosovo and refugees for Albania, the situation changed radically once the NATO air strikes began. Northern Albania became a base for KLA fighters and an arsenal for weapons for the armed struggle in Kosovo while hundreds of thousands of refugees sought shelter in Albania.

64. Albania was not able to cope with the influx of refugees which, at its height, numbered some 500 000 Kosovar Albanians. The Government called for foreign assistance and offered full cooperation, and with the help of NATO, the

UNHCR and other international and national bodies, the refugee problem was kept under control. The many security problems in the northern border area – incursions by Serbian forces into Albanian territory, clashes between various armed Kosovar Albanian factions and the activities of Albanian armed gangs – have also been managed in such a way as not to further destabilise the country.

65. As a result, Albania has shown that with foreign assistance – which it could not have done without – it is cohesive and resilient enough to survive a crisis with all the ingredients for major destabilisation of the country. For the present, however, Albania has more to do than simply survive. It must now live up to its role in the region and make its own contribution to peace and stability there.

66. The country is already offering NATO full cooperation and there is a standing NATO presence there of around 2 000 troops which is also supporting Communication Zone West. As regards Kosovo, the Albanian Government has let it be known that its first priority is to normalise the situation in that part of the world. Not until Resolution 1244 is implemented fully and democratic institutions and some form of self-government are in operation, is there likely to be a need for further assessment.

67. Albania has no aspirations in the direction of a Greater Albania and regards the idea of an Albanian Federation in the region as utopian and unrealistic. Resolution 1244 leaves open the final decision as to Kosovo, but in Albania's view, the only long-term solution for peace and security is integration of the whole region of south-eastern Europe into the European Union. The Albanian Government is aware that it has a responsibility to strengthen the role of democratic institutions and to transcend policies based on individual interests.

68. However, this opinion is apparently not entirely shared by the opposition. Sali Berisha, Chairman of the opposition Democratic Party of Albania, speaking at his party's national convention on 30 September 1999, said that if racism against the Albanians could not be prevented, it was highly likely that the latter, as an act of national self-protection and in dialogue and cooperation with the West, would throw their weight

behind the creation of a Federation of Free Albanians in the Balkans<sup>6</sup>.

69. The Government sees the fight against all forms of criminality, including smuggling and arms and drugs trafficking, as one of its most important tasks. Recently, Albanian police cracked down effectively on 32 criminal gangs which were terrorising certain regions and not only controlling the local economy, but also challenging the police. According to the Minister of Public Order, crime fell by 50% in 1999 as compared to 1998. Rapid intervention forces will receive a part of their training in the United States and be issued with suitable equipment. Anti-terrorist police units will also receive training abroad.

70. On other key issues, progress has been made but much remains to be done in terms of infrastructural development, legal and institutional reform, transformation of the economy and restructuring and reinforcing the armed forces and police forces.

71. At the same time, however, the Albanian Government is conscious that inter-state relations based on policies of good neighbourliness and cooperation are extremely important for peace and stability in the region. In the discussions of the Working Tables of the Stability Pact for South-Eastern Europe, Albania has therefore proposed the establishment of a customs union between Albania, Bulgaria and FYROM.

*(ii) The mission of the Multinational Advisory Police Element (MAPE)*

72. The establishment of MAPE by WEU at the request of the European Union and its development since has been discussed in earlier Assembly reports<sup>7</sup>. The present report provides an update of the most recent developments with regard to MAPE's mission.

73. Over the past two years, MAPE has assessed the operational capabilities of Albanian police units and tailored training needs accordingly. An initial evaluation of personnel and logistic aspects has been carried out in most of the 41 Commissariats. To date, 10 of the 12 Directorates have been assessed. Last March, the second MAPE training centre opened in Durres in

premises renovated with EU funds. Basic training curricula and manuals developed by MAPE are now ready for use in Albanian police training programmes. Apart from basic training in Tirana, MAPE's training efforts now also focus on various specialised areas in Durres as well as field training that MAPE's mobile teams provide directly in the units out in the country. Of the 12 Directorates, 10 have received field training. To date, over 3 000 police officers have been trained in the training centres in Tirana and Durres and in the field. This includes some 35% of rapid reaction forces and 40% of border police.

74. A key part of MAPE's work has been to provide advice to the Ministry of Public Order on restructuring the Albanian police. The draft state police law recently approved by the government and forwarded to Parliament was drawn up with support by MAPE and other international organisations. It contains the foundations for building a democratic police force operating to internationally accepted standards. Today, MAPE is assisting the Ministry of Public Order in preparing the implementation of the police law, once ratified. Furthermore, a coherent package of assistance is being drawn up in liaison with, and complementary to, the bilateral assistance programmes which are active in this field.

75. MAPE is also engaged in promoting coherence in training-related activities with other multilateral and bilateral donors, to avoid duplication of resources. WEU is therefore strongly committed to the coordinating framework established by the EU and OSCE in the form of the meetings of the Friends of Albania, which has already had very good results in reinforcing co-ordination and cooperation. WEU is planning to organise a special sub-group meeting of the Friends of Albania, at a suitable time to be discussed with the EU and OSCE.

76. Most recently, the conflict in Kosovo and the associated refugee crisis placed an unexpected and severe strain on the Albanian authorities. With the help of *ad hoc* contributions from WEU nations in the form of both police equipment and temporary augmentation of MAPE personnel, MAPE was able to provide advice, and support the Albanian police in facing the challenges of this crisis.

77. It has been emphasised that WEU's commitment to Albania is not merely for the short

<sup>6</sup> Democratic Party of Albania, Press release, Tirana, 15 October 1999.

<sup>7</sup> See Assembly Documents 1609, 1627 and 1653.

term. In a general sense, that message is reinforced by the work on the Stability Pact and more specifically by the EU in launching work on a new contractual relationship with Albania. WEU has regularly renewed its mandates for MAPE by means of twelve-month increments. Since spring this year, its mission in Albania has been conducted with considerable funding from the EU.

78. Since July 1999, MAPE has been operating under a new operational plan. Training and advice are now given in the whole country and down to police unit level. Field Advisory Training Teams (FATT) have been dispatched to Shkodra, Vlore and Gjakova. They are carrying out training and advisory tasks at Directorate and Commissariat level in these areas which are in particular need of support and assistance. Positive results of the new strategy have already been observed in Shkodra.

79. Accordingly, MAPE is being extended from the current strength of 143 in Albania to 170. At the same time, it is WEU's intention progressively to hand over the training function to the Albanian authorities themselves, hence the stress on "train-the-trainers programmes". A significant part of the training is therefore already being done jointly by the Albanian and MAPE instructors.

80. Ultimately, the primary responsibility for organising and training their police forces will lie with the Albanian authorities themselves. WEU's cooperation with its counterparts in Albania is close but there are still important tasks to be done. In the coming months, MAPE will work with the Albanian authorities to make improvements in the selection of students and to ensure that officers trained by WEU are rewarded in their careers, deployed to appropriate duty stations, and retained for a sufficiently long period to ensure their training has the desired impact. Most important, however, is early ratification of the State Police Bill which will give MAPE the proper legal basis for continuing its work.

*(b) Bosnia and Herzegovina*

81. Although Bosnia and Herzegovina is far less prominent in the media than previously, having been displaced by other more newsworthy regions where human slaughter is taking place as television audiences watch from their armchairs,

the situation in that country still gives cause for concern.

82. The picture of developments in Bosnia and Herzegovina is bleak, as described by NATO Secretary-General, Lord Robertson, on the occasion of his first official visit to the country on 21 October 1999.

83. Lord Robertson repeated what had been said by almost every other official on many previous occasions: "The problem of corruption must be tackled and there must be more progress with the crucial reform of the judiciary and the police. There have been some refugee returns, particularly to minority areas, but most of the returns have been to the territory of the Federation... There is a Standing Committee on Military Matters in Bosnia and Herzegovina which has been slowly, one might say much too slowly, getting to grips with merging the Entity Armed Forces. But recently, some progress has been made and a secretariat has been established". These comments were made four years after the Dayton Peace Agreement took effect.

84. Jacques Klein, Coordinator of UN operations in Bosnia and Herzegovina said recently<sup>8</sup> that the main problem he was faced with was the continuing fragmentation of the Bosnians into small ethnic communities. Hardline separatists are still trying to thwart the objectives of the Dayton Peace Agreement and, on 18 October 1999, President Tudjman of Croatia even called for the creation of a Bosnian Croat entity.

85. Both Wolfgang Petritsch, who replaced Carlos Westendorp as High Representative, and Robert Barry, Head of the OSCE Mission in Bosnia and Herzegovina, have recently emphasised the urgent need for continued support in stabilising the country. A foreign military presence is still indispensable in terms of its internal security; however, as part of a rationalisation effort – but also because many of the participating countries have problems providing enough troops as they are also making a contribution to the 50 000-strong KFOR – NATO defence ministers have decided to cut back SFOR from the current 32 000 troops to some 20 000 by April 2000.

<sup>8</sup> Press conference at UN Headquarters on 27 October 1999.

86. The main objectives of the Dayton Peace Agreement were the establishment of peace and the creation of a multi-ethnic state. Peace has indeed been established thanks to the massive presence of foreign troops. The gradual stabilisation of the situation in the country has made possible a degree of rationalisation and over time the foreign military presence, now called SFOR, has been reduced. Nevertheless, it is still essential for security in the country.

87. The relative stability is also a consequence of the fact that most ethnic groups are now living in their own areas. This is contrary to the intention underlying the Dayton Agreement. There are still over a million refugees or displaced persons, in Bosnia and elsewhere, who have not yet returned to their homes. International organisations continue to claim that their return is an ongoing process. But where do things stand in this connection? Recently, the symbolic return of the first Muslim to Srebrenica was celebrated by an official ceremony attended by Western diplomats and local Serb politicians. However, immediately after the official handover of the keys to his house, the reluctant star of this festive occasion, Mr Aziz Begic, said he did not intend to live in Srebrenica<sup>9</sup>.

88. The international community's efforts to bolster the credibility of the multi-ethnic state are as yet by no means exhausted. Fear and hatred are still present. Time, education and the development of new attitudes of mind mean that new values and different circumstances will one day prevail. Making an ideal a point of principle serves to ensure that although it has not yet come to pass, it will one day. It has now started happening in the Lebanon and possibly in Israel, therefore why not in the Balkans as well?

89. Not enough progress is being made on the issue of missing persons. There are still mass graves which have not been opened and cleared. Hundreds of bodies which have been exhumed have been stored in morgues (under very unsatisfactory conditions), which may later lead to complicate identification. There is both a lack of will and of resources to reach a quick solution to this problem, although this is a vital condition for any future reconciliation between the three ethnic groups in the country.

<sup>9</sup> *Le Monde*, 27 September 1999.

90. In order to become a viable state, Bosnia and Herzegovina must establish sustainable political and economic structures. Successive elections have started to break the monopoly hold, along the various ethnic divides, of the nationalist parties, still prominent in which are those politicians who led the warring factions. There has been progress towards some kind of political pluralism. However, there is still some way to go. The victors of the last elections still see the electoral process as a means of legitimisation of unfettered power.

91. Even more worrying is the limited progress towards new economic structures and a viable market economy. Corruption is still rampant and a recent report has revealed that at least US\$ 200 million of the US\$ 5 billion reconstruction aid has vanished into thin air. However, financial control by international aid organisations is also inefficient. Economic insecurity is still a serious threat to stability. Under such circumstances, fundamental economic reforms are difficult to implement and with the five-year reconstruction aid programme drawing to a close, the country is still overwhelmingly donor-dependent. Nevertheless, the Bosnian leadership is still seeking to consolidate its control over the economy, a source to it of funds and patronage. This keeps alive a clientelist system.

92. It has been pointed out that urgent and radical reform is needed on a number of issues. Many regulations which hamper economic development should be abolished or changed, such as barriers to trade between the two entities. The system requiring virtually all economic transactions to be channelled through party-controlled "payments bureaux" must be dismantled. This system, which provides the leading nationalist parties with an important source of income, was roundly denounced at the Madrid Conference of the Peace Implementation Council in December 1998 but to no avail. Corruption must be brought under control. The present complicated tax legislation requires urgent reform. Privatisation laws have been adopted and are now in place but they should be implemented without bureaucratic or political obstruction<sup>10</sup>.

<sup>10</sup> Robert Barry in the *Financial Times*, 22 October 1999.

93. The situation in Bosnia and Herzegovina and the existence of Republika Srpska within that state, both outcomes of the Dayton Peace Agreement, now face the test of time and human resolve. It must be acknowledged that for the time being at least, the situation cannot be altered because there is no remedy to the ethnic cleansing that took place in that part of Bosnia and no precedent that can be invoked for the surrounding areas. It is nevertheless too soon to pass a final judgment on those outcomes. Those at whose door the tragedy in Bosnia can be laid, in some cases war criminals, are still there and occupying positions of responsibility. Although this artificial situation is a particularly delicate one, might it nevertheless give rise to a consciously accepted, voluntary and lasting process? Yet such is indeed the aim. Europe, rent by history, has nevertheless been able on occasion to come up with solutions.

*(c) The Federal Republic of Yugoslavia (FRY)*

*(i) Serbia*

*The political situation*

94. According to prevailing opinion in the West, Mr Milosevic's autocratic regime has been a negative and destabilising factor in the series of conflicts accompanying the dissolution of former Yugoslavia. Most, if not all, western governments are therefore agreed that replacement of Mr Milosevic and his regime by more democratic forces, preferably through free and fair elections, is one essential condition for the establishment of peace and stability in south-eastern Europe.

95. Western governments and the European Union as a whole have therefore decided to support the parties opposing Mr Milosevic's rule. However, this is no easy matter. The effectiveness of sanctions as a means of forcing out the present regime should not be overestimated and the EU is therefore seeking to adjust its policy in that respect, as discussed below. The opposition in Serbia is at present in a very uncomfortable position given that, although it cannot be said that the general public has again swung behind Milosevic, feelings about NATO action are still riding high and fall somewhere between the ultra-nationalist line that has prevailed for the last ten years or so and expectations for the future. Public opinion is in a highly confused and volatile state. Those who do not toe the line are suspected

of selling out on the country's legitimate interests. Whenever external intervention becomes too harsh or threatening, giving priority for example to the workings of the International Criminal Tribunal on the Former Yugoslavia over measures to improve the lot of Serbs, it upsets them greatly. The opposition parties have to work on the outlook of a people bombarded with ultra-nationalist propaganda for years, which cannot be turned round from one day to the next. For the time being, they are looking to the West to make the case that it did not go to war against the Serb people and that the Serbs have a place in tomorrow's Europe<sup>11</sup>.

96. When the EU Foreign Ministers invited 32 representatives of the Serbian opposition movement to a meeting in Luxembourg on 11 October 1999, the leaders of the Alliance for Change and of the Serbian Renewal Movement, Zoran Djindjic and Vuk Draskovic, and nine others, did not attend because they did not agree with a draft declaration calling on them to hand over indicted war criminals to the International Criminal Tribunal in The Hague as a condition of receiving aid if and when Mr Milosevic's coalition was overthrown. The meeting was convened to cement good relations between the European Union and the people of the FRY. The EU declaration which was issued after the meeting enumerated a number of activities which the Union is to undertake to help the FRY enhance stability and growth in south-eastern Europe once the governments of Serbia and the FRY are under the political control of democratic forces and the FRY fully cooperates with the ICTY.

97. Daily public rallies which have now been taking place for several weeks at the initiative of the Alliance for Change, have failed to attract enough support to force Mr Milosevic to resign. Elections may therefore be the only way to secure political change in Belgrade, but at the same time there is no guarantee that Mr Milosevic's coalition will not ultimately carry the day. Those elections would still leave Mr Milosevic in place, as he was elected by the Federal Parliament for a four-year term lasting until July 2001.

98. On 14 October 1999, the Alliance for Change, under Democratic Party leader Zoran

<sup>11</sup> Statement by the French Foreign Minister, Mr Hubert Védrine, Luxembourg, 11 October 1999.

Djindjic, and the Serbian Renewal Movement, under Vuk Draskovic, concluded an agreement on a joint set of technical conditions for elections which they feel should be held as soon as possible. The agreement includes *inter alia* conditions on a proportional representation system, withdrawal of the October 1998 law on the media, balanced access to state television and the presence of foreign observers at elections. The agreement did not mention the possibility of a coalition or shared slate.

99. The Serbian Renewal Movement has now demanded elections at local, provincial and federal level before the end of 1999. The mandate of the present Serbian Parliament runs until 2001 and those of the local and federal elected bodies until 2000. Mr Milosevic's regime, however, is likely to agree to go to the polls early only in local elections, in the hope that this will further split the opposition. Mr Djindjic's pressure to prepare a single list of candidates for all the parties belonging to the Alliance for Democracy has led to some parties leaving the Alliance.

100. The European Union will not find it easy to strike the right balance between supporting Serbian opposition leaders in their efforts to win elections against Mr Milosevic's coalition and wounding the Serbian people's national pride in the wake of the NATO air strikes which Serbs perceived as humiliating and wholly unjustified. It should not be forgotten that – rightly or wrongly – the majority of Serbs have a different perception to the West of what happened in Kosovo.

101. Serbs had a collective responsibility for the conflict in Kosovo, which they find difficult to admit. Nationalism is an important rallying cry in their endeavours to affirm their identity. Kosovo is still universally regarded as the cradle of the Serbian nation and even more moderate Serbs find foreign intervention in the province and its present consequences very difficult to stomach.

#### *Economic sanctions against the FRY*

102. Recently, the political opposition in Serbia urged the United States to remove sanctions against the FRY, warning that such punitive measures would only harm ordinary citizens and help entrench President Milosevic in power<sup>12</sup>. It

was argued that continuing sanctions allow Mr Milosevic to lay the blame for the hardships which the Serbs are facing on the outside world and make it easier for him to remain in government. The US Administration believes that massive popular revolt over sanctions leading to severe hardship in the coming winter may lead to his being ousted. It is also concerned that any revision of the present sanctions regime would offer Mr Milosevic an opportunity to use divisions in the Euro-Atlantic Alliance to his own advantage.

103. The opposition asked for an immediate resumption of commercial air travel connections to Belgrade and basic humanitarian aid, including fuel. A majority of European Union countries including France and Germany support this request, provided that sanctions targeted specifically against Mr Milosevic and his cronies are maintained.

104. Following a decision of 11 October 1999 lifting the air embargo against Montenegro and Kosovo, the European Union plans to deliver heating fuel to the Serbian cities of Nis and Pirot which are in the hands of the political opposition. Russia has already started deliveries of natural gas and oil to Serbia.

105. France and Germany are also backing an EU plan to clear the rubble of the three bridges over the Danube which were destroyed at Novi Sad and to build a temporary bridge. These and other destroyed bridges elsewhere along the river are blocking trade and shipping and may cause severe flooding by obstructing the passage of ice on the river.

106. Yielding to pressure from a delegation of high-ranking Serbian opposition leaders under former Central Bank Governor, Dragoslav Avramovic, the United States finally decided to support the EU programme to supply Nis and Pirot with heating oil for the coming winter. If this programme is successful, the United States will consider supporting its extension to other cities. However, it continues to oppose other European proposals to ease the sanctions regime.

107. The US Government at the same time proposed lifting sanctions on oil deliveries and flights to Belgrade in return for early free and fair elections in Serbia, with Secretary of State Madeleine Albright insisting that Mr Milosevic's

<sup>12</sup> *International Herald Tribune*, 26 October 1999.

coalition could not possibly win a fair election. The offer was immediately dismissed by the Yugoslav Government.

*(ii) Montenegro*

108. After the conflict in Kosovo, Montenegro found itself in a difficult position. During the conflict, the President of Montenegro, Milo Djukanovic, denounced Belgrade's policy in Kosovo. However, while criticising Mr Milosevic's policies, he had also criticised those of NATO, which had bombed targets on Montenegrin territory.

109. The conflict in Kosovo and the sanctions against the Federal Republic of Yugoslavia have had a very damaging impact on Montenegro's economy. Nearly 80% of the workforce is unemployed, there is widespread corruption, sanctions busting and smuggling, and because of the international sanctions, Montenegro is still denied access to World Bank and IMF resources. Aware of the precarity of the situation, the EU has already lifted its ban on air travel and fuel supplies to the country.

110. Since June 1999, President Djukanovic has been trying to reach an agreement of principle with Serbia, the other republic of the Federal Republic of Yugoslavia, on democratic relations between the two republics. In August, Montenegro proposed negotiations on a more equal relationship within the FRY, with each of the republics maintaining its own army and having its own currency. In those proposals not a word was said about independence or secession but back in June, the President had announced that the Government would hold a referendum to decide Montenegro's future.

111. On 13 October 1999, President Djukanovic's party, the ruling Democratic Party of Socialists of Montenegro, accepted an offer from Mr Milosevic's Socialist Party of Serbia to start negotiations on the future status of the Federation.

112. Negotiations over the restructuring of the Federation started on 25 October, but as yet no progress has been made. However, both sides have played down the possibility that a secession could lead to another violent conflict.

113. It seems that President Djukanovic is trying to orchestrate what one commentator has

described as "salami secession"<sup>13</sup> proceeding by several stages – an independent foreign policy, separate currency, relaxation of border controls – towards an ever more specific Montenegrin identity. The Government of Montenegro, encouraged by the United States, has decided to accept the German mark as legal tender alongside the dinar (from 1 November 1999) to protect itself against steep inflation in the FRY, now running at the rate of 100% per annum and against what it has described as Federal fiscal irresponsibility. The United States would appear to support such tactics, very likely because it favours any move that might damage Mr Milosevic's position.

114. It should, however, be noted that there is no consensus among the population of Montenegro about its future status. Opinion polls indicate that at least 40% are against breaking ties with Serbia, while a further 40% are in favour of independence.

115. After publication of President Djukanovic's negotiation proposals in August, clans in various parts of Montenegro in favour of maintaining close links with Serbia started to meet and discuss how to act in the event of the Government in Podgorica managing to break up the FRY through secession.

116. The Montenegrin Foreign Minister, Branko Perovic, has declared that the proposals are subject to deadlines and that negotiations with Belgrade and a possible referendum on independence could not be stretched out much beyond April 2000. As is often the case, Mr Milosevic's reaction is uncertain but he still has a few cards up his sleeve, ranging from delaying tactics in the negotiations to use of Federation armed forces to bring Montenegro to heel. On the other hand, by far the easiest thing for him to do would be to foment civil strife that may already be in the making.

*(d) Former Yugoslav Republic of Macedonia (FYROM)*

117. Since the Political Committee's last report<sup>14</sup>, no major changes have taken place in the economy or inter-ethnic relations, the two main issues in national politics.

<sup>13</sup> Anna Husarska in *Newsweek*, 8 November 1999.

<sup>14</sup> Assembly Document 1653, Rapporteur Mrs Squarcialupi.

118. On the other hand, relations between FYROM and Greece are improving. At present, Greece is FYROM's primary foreign investor. However, UN-brokered negotiations between FYROM and Greece on a new name for the Republic of Macedonia are making very slow progress.

119. As Assembly Document 1653 notes, the joint declaration and accompanying agreements of 22 February 1999 have laid down the basis for good relations between FYROM and Bulgaria, with scope for further development and deepening.

120. The end of the conflict in Kosovo resulted in an almost immediate and massive return of some 250 000 refugees accommodated in camps, with host families and elsewhere. At the beginning of October 1999, the Government estimated the total number of refugees in the country to be some 20 000 to 25 000 persons. These figures included those who had come to FYROM as a result of earlier conflicts caused by the break-up of former Yugoslavia in the 1990s and a number of new refugees, mostly Romanian, who had fled Kosovo out of fear of punitive action on the part of the Kosovar Albanians.

121. It should be said to the credit of the political leaders and parties of FYROM that they did not exploit the conflict in Kosovo and the major influx of refugees in the first half of 1999 in such a way as to exacerbate existing tensions between Macedonians and the large Albanian minority. Under such extreme circumstances it was important to hold the country together and clamp down on any attempt to stir up trouble.

122. However, the consequence has been that little progress has been made on the really important issues referred to above and the Government has not delivered on its ambitious programme. Among other things, it has been extremely reluctant to rationalise and privatise large and inefficient state companies, knowing that this would lead to massive redundancies and social unrest.

123. The FYROM Government is dissatisfied with the financial assistance it has received for dealing with the consequences of the refugee crisis. Early in October 1999 it pointed out that only US\$ 60 million of the US\$ 252 million pledged at the May 1999 donors' conference in Paris had been delivered to Skopje. FYROM is

still the main channel for humanitarian aid and troops bound for Kosovo and the resulting sizeable foreign presence is becoming unpopular in the country. Military and humanitarian aid convoys are causing havoc on the roads and borders of FYROM and the Government is complaining about the intense wear and tear the roads are being subjected to, for which it wants compensation. There are also numerous complaints about the behaviour of KFOR personnel which is giving rise to nuisance and incidents. These include the death of a government minister in a head-on collision with a NATO vehicle.

124. Both the lack of financial assistance and the massive and problematic foreign presence are easily exploited by politicians wishing to stir up dissatisfaction among the population and possibly destabilise an equilibrium that is still fragile. It is therefore of the utmost importance for western Europe to continue to keep a close eye on FYROM, the only multi-ethnic state on the territory of former Yugoslavia which has survived without violent conflict.

125. The main preoccupation in national politics at the moment are the preparations for the presidential elections, to be held on 31 October and 14 November 1999. The outgoing President, Kiro Gligorov, who has completed two terms in office, is not to stand again.

126. Although the three parties in the ruling coalition initially decided to put forward a single candidate, personal and political differences have led to the break-up of this agreement. In particular, the International Macedonia Revolutionary Organisation/Democratic Party for Macedonian National Unity (VMRO-DPMNE) – the largest party in the country – felt it had to put forward its own candidate. The outcome of the presidential elections may therefore result in fragmentation of the coalition but not necessarily early parliamentary elections.

127. The three ruling coalition parties and the three opposition parties each fielded their own candidate. The ruling coalition candidates are: Boris Trajkovski (VMRO-DPMNE), currently Deputy Foreign Minister, Vasil Tupurkovski of the Democratic Alternative, party leader and Director of the Agency for Reconstruction, and Muharem Nexhipi of the Democratic Party of Albanians, currently Deputy Minister for Health.



128. Opposition party nominees were as follows: Stojan Andov of the Liberal Democratic Party, a former Speaker of the Parliament, Muhamed Halili of the ethnic Albanian Party for Democratic Prosperity, currently FYROM's Ambassador to Denmark, and Tito Petkovski of the Social Democratic Union of Macedonia, also a former Speaker of the Parliament.

129. In the first round of the elections, Tito Petkovski took the lead and faces Boris Trajkovski in the run-off vote on 14 November 1999. The results of the first round are a clear indication of the widespread public discontent with the Government's performance.

### *III. The Stability Pact*

#### *(a) Origins: the Cologne Summit*

130. The first political response by the European Union to the Kosovo crisis and the political and economic problems in the Balkans was the drafting of a "Stability Pact", adopted on 10 June 1999 at the Cologne Summit by the foreign ministers of some 30 or so countries, meeting under the chairmanship of Mr Joschka Fischer. The European Union and G8 countries (including Russia, the United States, Canada and Japan) the countries of former Yugoslavia, apart from the Federal Republic of Yugoslavia, the other Balkan countries and their neighbours, including Turkey, and many international organisations including the UN, the OSCE, the Council of Europe, the IMF and the World Bank were all represented.

131. This working "instrument" lays down a framework within which numerous countries, regional and international organisations and international financial institutions collaborate to make a contribution to peace, stability and economic development in the region. The Pact underscores the key role of the European Union in developing programmes for strengthening democracy, revitalising the economy and developing the contractual ties between the countries within the region.

132. The machinery of the Stability Pact revolves around a Special Coordinator, Bodo Hombach, appointed by the European Union after consultation with the OSCE Chairman-in-Office and other participants, with the endorsement of the Chairman-in-Office of the Council of Europe. The Coordinator makes periodic progress reports to the OSCE and also chairs the South-Eastern

Europe Regional Table, the forum whose task it will be to advance the aims of the Pact and coordinate the three Working Tables on democratisation and human rights, economic reconstruction, development and cooperation and security issues. The Working Tables will prepare specific measures towards the implementation of the Pact and may set up sub-tables.

133. Those who will take part in the Tables include the members of the Stability Pact, namely the European Union member states, the European Commission, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYROM, Hungary, Romania, Russia, Slovenia, Turkey, the United States, the OSCE Chairman-in-Office and the Council of Europe Representative, the "facilitator" states and organisations: Canada and Japan, the UN, UNHCR, NATO, OECD, WEU, IMF, EIB, EBRD and the World Bank.

134. The European Union has been given two specific tasks: re-establishment and development of contractual relations between the countries of the regions and implementation of reconstruction programmes.

#### *(b) The Sarajevo Summit: the Stability Pact gets under way*

135. It was at the summit meeting in Sarajevo that the Stability Pact got off the ground. On 30 July 1999, forty or so heads of state and government, whose number included Mr Clinton, Mr Chirac, Mr Blair and Mr Schröder, and representatives of the United Nations, NATO and the other major international organisations met in Sarajevo, where they reaffirmed their commitment to set the Pact – an initiative on the part of Germany which the European Union had approved in Cologne in early June – in motion. The Summit took on a highly symbolic charge, as all the participants, particularly Bernard Kouchner, the Kosovo civilian administrator acknowledged. Arriving direct from Pristina, he welcomed this form of intervention (the Pact) as a way of maintaining south-eastern Europe as the focus of attention "because stability cannot reign in the region while there is no stability in each of its component parts".

136. The heads of state and government reaffirmed their determination collectively and individually to give concrete meaning to the Pact by bringing about economic and political reforms

and development, and greater security to the region. The summit participants stressed that assistance from other countries was conditional on implementation of the objectives of the Pact and cooperation between the Balkan countries themselves, emphasising the ability to cooperate and establish good neighbourly agreements and reconciliation as important criteria in evaluating their prospects for full integration into the European Union. In this spirit, the Pact would seek to promote, and hence provide financial help for, transnational projects such as infrastructure, border controls and the fight against drugs and organised crime. At a press conference, the Special Coordinator, Bodo Hombach, made clear that the Pact should not be regarded as a means of slowing down EU accession but rather as a fast track leading to it.

137. Another major question discussed at the Sarajevo Summit was the situation in the Federal Republic of Yugoslavia (FRY). The message of the leadership of the Pact to the absent Serbs was, bluntly, that they should be seeking to effect a transition to democracy and consequently to overturn Slobodan Milosevic's regime.

138. However the Summit did not look beyond the stated intentions as to how the Pact should operate, the resources available or specific plans as to its implementation, thus justifying those who (like the French) with hindsight who took the view that an ill-prepared meeting of that nature had been premature. In an attempt to counter the overt scepticism of the FYROM President in particular as to the practical impact of the Pact and the Summit, the Finnish Presidency of the European Union announced that the first Regional Table meeting would take place in September 1999.

*(c) The first Regional Table in Brussels:  
practical action*

139. The first meeting of the South-Eastern Europe Regional Table under the Stability Pact – covering the Western Balkans – gave rise essentially to administrative decisions. As the steering body, the Regional Table coordinates and steers the work of the three working groups. The participants agreed on who would be appointed to chair these Working Tables. The Working Table on democratisation and human rights would be chaired by Max van der Stoep (Netherlands) of the OSCE, the Working Table on economic re-

construction, development and cooperation would be headed by Fabrizio Saccomani of the Central Bank of Italy and last but not least, the Working Table on security issues would be chaired by the Swedish Foreign Minister, Jan Eliasson.

140. It was envisaged that the working groups meet regularly, at least once every six months, normally in the country that holds the vice-chairmanship. However the inaugural meeting of the Group responsible for human rights would be held in Switzerland, that of the group on reconstruction in Italy and that of the group on security in Norway. Exceptionally, the groups would be co-chaired by the host country.

141. Each group is then to agree on a timetable of work and decide whether the formation of sub-groups is appropriate. The human rights group is to be responsible for examining the cultural dimension of the stabilisation process.

142. The Regional Table for the Pact has also adopted its own plan of work which will cover both its own future activities and, in broad outline, those of the three working groups set up under the Pact. Each of these will then set up more detailed schedules for implementing specific priority initiatives in the areas they are concerned with. In principle, the plan of work adopted will hold good until the end of the year 2000 but can nevertheless be reviewed and updated in the intervening period if necessary.

*(i) Working Table on Democratisation and Human Rights*

143. The main aim of the group is to contribute to the democratic development of the countries of the region by setting up transparent and effective institutions, the development of a democratic and effective electoral system and the reform of the judicial system. The Group must also monitor compliance with human and minority rights. According to the plan, the Table will:

- consider, as a matter of priority, establishing regional cooperation machinery and structures between the countries of the region;
- encourage cooperation between countries with a view to preserving ethnic diversity and protecting minorities (for example by agreeing special treaties in that connection);

- train civil servants of the countries concerned in their role in a democratic society;
- foster cooperation between local and regional authorities and governments;
- explore the possibilities of helping the forces of democracy in the FRY and Serbia, so as to ensure that the FRY can play its part in implementing the Pact at the earliest opportunity;
- help NGOs define their role in civilian society;
- establish a legislative framework to guarantee press and media freedom and promote inter-regional cooperation between the media;
- strengthen women's role in society and the cultural dimension in the process of stabilising the region;
- deepen cooperation over refugee issues.

*(ii) Working Table on Economic Reconstruction, Development and Cooperation*

144. Its main task is to contribute to stabilising the economies of the countries of the region, particularly by strengthening free market principles and thus increasing private investors' confidence in those economies. Among the main principles advocated are:

- the creation of a legal and fiscal framework to encourage investment in the countries of the region;
- setting up a sound economic and financial system, on the basis of recommendations from international financial institutions;
- increasing compatibility between trade and transport systems within the region though minimum harmonisation of rules and standards;
- setting up structures for advice and support to businesses in the region, including support for establishing new businesses;
- improving the rules governing competition and state aid and making them more transparent;

- promoting dialogue between representatives of both sides of industry: employers and trades unions;
- evaluating and promoting inter-regional infrastructure projects in the fields of transport, energy and telecommunications.

*(iii) Working Table on Security Issues*

145. The main strategic objective of this group is to help create a climate of confidence and security throughout the region (and also reduce and rationalise military expenditure) through widespread demilitarisation of Balkans society and by introducing democratic scrutiny of the armed forces and existing paramilitary groups. The working group is also concerned with countries' internal security (justice and internal affairs). Priorities in this area include:

- improving the effectiveness of legal prosecutions services and effective implementation of laws;
- reforming criminal jurisdiction;
- promoting cooperation between the legal authorities of the various countries in the region to help them deal with the various crime waves they have to contend with: the fight against organised crime, drug trafficking, illegal immigration etc.;
- helping the countries of the region progressively integrate into Europol structures and activities;
- improving the administration of borders, including visa services.

146. Bodo Hombach made clear his satisfaction with the quick and efficient dispatch of this first meeting. He noted that neither the Stability Pact itself nor coordination thereof were intended to add to the burden of existing structures or do what others were already doing: rather, the Pact was there to stimulate them to action. Thus he attempted to give the lie to the idea of the birth of a new bureaucracy. When asked about the cost of reconstruction and aid to the Balkans area, he shied away from putting a figure on this on the grounds that it was not his job. Nor was he very clear as to how long the Pact would remain in force or the duration of his term as Coordinator,

which would be determined by how the situation in the Balkans progressed.

147. Later, before the European Parliament's Foreign Affairs Committee, he undertook to enter into open and constructive dialogue with that body, stressing that the European Parliament could have a frontline role in an inter-parliamentary framework covering the region and reaffirming that the European Union had a leading part to play in the Stability Pact.

*(d) Inaugural meeting of the Working Table on Reconstruction*

148. The Working Table on Reconstruction held its first meeting in Bari, Italy, on 9 October 1999. The European Commission representative, Fabrizio Barbaso, tabled four working papers setting out in detail the aims defined the previous month.

149. The first of these related to the stabilisation and partnership process the Commission is offering the countries of the region. Here, stabilisation is viewed in the light of European Union accession. Six main areas of action for the future are identified:

- development of existing economic and commercial relations and of financial and economic assistance. The Commission is to review its financial instruments and adapt them as necessary to the funding needs of programmes of regional dimension;
- assistance towards democratisation, building a civil society and institutional development. To this end, the Commission might revise the Tempus programme to extend access to it to the countries of the region and consider setting up a network of organisations for building democracy and promoting civil society;
- fostering cooperation in various fields, mainly justice and internal affairs;
- political dialogue at regional level;
- a new form of contractual relations – stabilisation and partnership agreements.

150. The second working paper deals with the development of free trade. While the proportion of the region's trade with the European Union is

between 60% and 90% (according to country) and the European Union has established a generous regime offering regional exports virtually duty-free access to markets, the Commission feels that action to foster free trade could in the future focus on:

- the creation of bilateral free trade areas and an extension of those that exist already;
- harmonisation of trade arrangements between those countries and other participants in the Pact in order to bring them up to the level of unilateral EC preferential arrangements;
- other Pact members granting similar trade preference;
- support from all Pact members who are also members of the World Trade Organisation for a WTO waiver granting preferential arrangements to those countries and between them, by derogation from the principle of "most favoured nation status";
- technical assistance from all WTO Pact members to support the customs services of the countries of the region and their accession to the WTO.

151. The third paper deals with specialist assistance for legal harmonisation. Since all countries of the region aspire to EU membership in the future, it is important that their endeavours to harmonise their legal systems take account of EU *acquis*.

152. Lastly, the fourth working paper deals with regional environmental projects in south-eastern Europe.

153. As far as the financial machinery for the Pact is concerned, European Union aid to the region since 1991 stands at over €16 billion. The Commission is taking a three-pronged approach:

- Community aid will continue to be provided to the countries of the region in the form of technical assistance, investment aid and, as necessary, aid in terms of the balance of payments;
- a part of Community aid will go towards funding regional initiatives;

- the European Union will continue to cooperate closely with the World Bank to mobilise the necessary donor funding. The Commission and the World Bank are to organise a regional donors' conference in consultation with the Working Table on Reconstruction.

154. Countries in south-eastern Europe have until now been slightly disappointed by the implementation of the Stability Pact. They expected it to provide money for an immediate reconstruction of the region, as they thought had happened in western Europe with the Marshall Plan. Special Coordinator Hombach has pointed out, however, that the Stability Pact provides a framework with requirements and conditions for projects which should attract investors. The process of identifying investment targets has now begun. The European Investment Bank will convene a special meeting on 25 November for a first review of potential projects which are thought to cost around €2 billion. The Stability Pact favours in particular joint projects which improve the infrastructure of the region.

#### *IV. Conclusions*

155. In the 19th and 20th centuries, the basic attributes of a State recognised as lawful were sovereignty, territorial integrity and the inviolability of its borders. These principles remain the universal foundation of all international democratic systems and the basis governing the role and functions of the United Nations and the discharge of its mandates.

156. However, the problem of Kosovo within the Federal Republic of Yugoslavia (alongside other problems of the same ilk elsewhere in the world) has led to the emergence of other rights and duties and, seemingly, the advent of new international norms, both political and moral: human rights, humanitarian rights and duties and the right or duty to intervene. The issue is a sensitive one and serves to explain differential assessments of Iraq, Kosovo or Chechnya, for example. The dominant nations of Asia and South America are obviously opposed to such an approach.

157. Moreover, the risk of intervention without United Nations agreement to enforce compliance with such rights means that great care would have to be exercised if the doctrine were in prac-

tice to become an obligation. Thus, this reordering of new international norms and relations between sovereign states on the basis of human rights is something that needs to be discussed urgently. The world we live in is bi-polar no longer and must remain essentially multipolar in nature. Globalisation of any description under one-power domination would generate further risks.

158. In our present world, which has been taken apart since 1989 and is now in the process of being put together again, a reordering of our basic values and the role and function of international institutions is essential. One way of looking at things is to see determinism as the inexorable driving force in history while an alternative view draws on the American historian Huntington's thesis of an inevitable clash of cultures, which confers respectability on the idea of "ethnic purity" within given areas of territory according to a demarcation based essentially on religious tradition.

159. Consequently, western democracies have a duty to point to the force of values such as tolerance, secularism and accountability and to remind the world that democracy is the only system to erect those values as its essential pillars. Education and culture alone provide a vehicle for passing on to humanity at large the rights that lie at the heart of respect for the individual.

160. Democracy, it should be remembered, is not the outcome of a spontaneous happening but rather of conscious and willed and often uphill action over the long term. Europe – and the Balkans especially – are riddled with every kind of diversity. European history is steeped in drama and bears the scars of wars and wounds every bit as deadly as those of Kosovo but, outside the Balkans area, Europe is now at peace and in the process of coming together as one. It is now time for the Balkans to throw in its lot on the side of cooperation and negotiation. Peace and prosperity would then emerge victorious there, as elsewhere, over violence and hatred.

161. It is hardly surprising then that integration into the European Union is regarded as a universal panacea by politicians of the region. The notion of European integration as the harbinger of peace, stability and prosperity comes to the fore in every single discussion on the future of south-eastern Europe.

162. It is worth pointing out in this connection that the region itself must also shoulder its responsibilities for as long as it does not meet the conditions for full membership of the EU. Countries in the region must organise themselves through bi-, tri- or multilateral approaches. Examples exist already in the form of the recent agreements between Bulgaria and FYROM and the substantial improvement in relations between FYROM and Greece. Albania is proposing that a customs union be set up between itself and Bulgaria and FYROM.

163. Another question which the countries in the region will need to discuss, is the kind of institutions, instruments or tools they wish to employ in their endeavours to form closer ties with one another. Do they want to begin by creat-

ing organisations like the European Coal and Steel Community, which was a first and very important step towards the European Union, or are they already thinking in terms of a federation of the various states?

164. It is also important for these countries to decide whether they want to defend their national or regional interests and whether they can subscribe to the fact that borders mean something different within the European Union. Finally, they may have to give thought to the consequences of EU decisions taken in Cologne in June 1999, which clearly confirm the notion that Europe must take more responsibility for its own security and defence and draw conclusions as to the consequences of that policy for their own region.