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Parliamentary cooperation in central Europe

REPORT

submitted on behalf of the Committee for Parliamentary and Public Relations
by Mr Jacquat, Rapporteur

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¹ Adopted unanimously by the Committee.

² *Members of the Committee:* Mr Masseret (Chairman); Sir *Russell Johnston*, Mr Eversdijk (Vice-Chairmen); MM Aleffi, Amoruso, de Assis, Mrs Beer, MM Birraux, *Bratina*, Sir Anthony Durant, Mr Erler, Mrs Err, Mrs Fernández de la Vega, Mr Ghesquière, Baroness Gould of Potternewton, Mrs *Guirado*, Mr Henry, Sir *John Hunt*, Mrs *Katseli*, MM Lummer, *Micheloyiannis*, Mignon, Niza, Mrs *Pulgar*, Mr Rodeghiero, Mrs Terborg, Mr Woltjer.

Associate members: MM *Tanik*, *Dinçer*.

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

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Draft Resolution
on parliamentary cooperation in central Europe

The Assembly,

- (i) Stressing the importance for security and stability Europe-wide of decisions to be taken by NATO and the European Union with a view to their enlargement to include the countries of central Europe.
- (ii) Noting the central European states' endeavours and corresponding progress in the economic, political and defence spheres and in consolidating parliamentary democracy with a view to their accession to the Atlantic and European institutions under the best possible conditions;
- (iii) Hopeful that the enlargement processes can be gradually extended to all central and eastern European countries so as to avoid creating new geopolitical divisions across the continent;
- (iv) Convinced that interparliamentary cooperation can contribute to the success of this process and towards alleviating the political uncertainties likely to become apparent in states that are not to be admitted to NATO and the European Union in the near future;
- (v) Stressing the need to ensure that NATO and European Union enlargement do not markedly affect the efficiency or working methods of those organisations and that their respective achievements are preserved;
- (vi) Pointing to the positive contribution regional cooperation institutions make to Europe's stability and the development of the countries involved, and hopeful that the accession of some of their members to NATO and the European Union will not call such cooperation into question;
- (vii) Noting with concern that there has been no serious discussion to date of the issues raised by enlargement in the parliaments of the member, associate member, associate partner and observer countries, even though governments are on the point of taking their decision;
- (viii) Recalling Order 90 in which the Assembly states that "more intensive cooperation between the WEU Assembly and the central European parliaments constitutes an important element in the process of integration of these countries in the structures of European political and defence cooperation",

**INVITES THE PARLIAMENTS OF MEMBER, ASSOCIATE MEMBER, ASSOCIATE
PARTNER AND OBSERVER COUNTRIES**

- 1 To intensify bilateral and multilateral interparliamentary cooperation in the run-up to the debates on ratification of future agreements on NATO and European Union enlargement;
- 2 To encourage permanent exchanges between their foreign affairs, defence and, as appropriate, European affairs committees on matters relating to the process of accession to the transatlantic and European institutions, having regard to the gradual nature of that process,
- 3 To enhance cooperation on such matters with the WEU Assembly which by virtue of the modified Brussels Treaty remains the sole European Assembly with responsibility for European security and defence

Draft Decision

on parliamentary cooperation in central Europe

The Assembly,

- (i) Noting with satisfaction that, generally speaking, the availability of information on WEU has improved, largely as a result of initiatives taken by the Assembly, the ministerial organs and member states, which have led to publication and distribution of documents about the Organisation and its work, using in particular the communications potential of the Internet.
- (ii) Stressing the importance of the ready availability of such information in the central and eastern European countries, some of which are preparing to join NATO and the European Union, and expressing support for initiatives that might encourage WEU information centres being opened in those countries, as is already the case in Romania and the Baltic states,
- (iii) Stressing the need to inform parliaments and the public at large in WEU member, associate member, associate partner and observer countries, and in all countries with which the Organisation has political ties, about the Assembly's role, responsibilities and activities,

DECIDES

To publish an information sheet, with regular updates, about the WEU Assembly and its work, intended for distribution to parliaments and the wider public, as necessary by means of the Internet

Explanatory Memorandum

(submitted by Mr Jacquat, Rapporteur)

I. Introduction

1 On 25 June 1996 Slovenia became WEU's tenth associate partner country – an event of limited political scope but one which illustrates the central European countries' perception of WEU's role as a contact point – a bridge even – with the European Union and NATO. Their involvement in WEU's activities, under the arrangements broadly defined in the Kirchberg Declaration of 9 May 1994, is helping them draw closer to the real centres of European and transatlantic economic, political and defence cooperation. This rapprochement, which has been slow but steady to date, is supposed to speed up significantly from the second half of this year and into the early part of the next century

2. The catchword of the whole process is "enlargement", as applied first to NATO, then the European Union and ultimately to WEU in the case of countries that belong to the first two organisations. It is a historic event, the implications of which are not yet obvious but which, if successful, should usher in the beginning of the end of the divisions in Europe that have been the cause of at least three conflicts on a world scale – including the cold war. It is in this light that the merits of enlargement should be judged, rather than focusing on applicants and timetables (the "who and when") or technicalities. For the process to succeed means first and foremost that it should be transparent, and that a real dialogue must be initiated with all the countries concerned – particularly those that by reason of their geopolitical situation or economic and political development are to remain, for the time being, outside the organisations in question, but without becoming alienated from them

3 At the same time, it should not be forgotten that there are costs involved – political, economic, social, cultural even – for new entrants and existing members alike. Periods of adjustment will be necessary and conflicts of interests are bound to arise, as in any human endeavour. There is no running away from the fact that the history of the European and transatlantic organ-

isations is replete with examples of strife, at times outright political conflict, to the point even in one or two – fortunately rare – cases of military sabre-rattling. The arrival of the central European countries, with their complex history and their determination nonetheless to occupy what they regard as their rightful place alongside their "western" European counterparts must therefore be handled with a great deal of diplomacy and a keen regard for compromise and equity, if annoyance and misunderstanding are to be avoided between full members and applicants for full membership and among the latter.

4. The last is a most important point, especially with regard to the European Union, since the accession of new members is due to take place at the very time when a major qualitative shift is about to occur in the contemporary history of our continent – namely the introduction of monetary union within an initial group of states – which in the longer term will inevitably have major political consequences for this inner core and thereafter for all those with whom they have ties within the Union. The adoption of the single currency by the new members in the medium term, rather than membership of the European institutions, Council, Commission or Parliament, will be the event that truly signifies the end of historical and political divisions on the continent. It will be possible then to judge whether in Europe's case enlargement is synonymous with prosperity, stability and security

5. Paradoxically, as far as defence is concerned, enlargement now seems to be a foregone conclusion even though it will have a direct impact on one of the last-surviving symbols of state sovereignty. It is unquestionably a political decision driven more or less explicitly by the United States. Opening NATO up to the states of central Europe is the essential corollary to the initiatives taken by the Alliance in the framework of the Partnership for Peace programme, in cooperation with most countries of the continent. The outstanding issues in this case are no longer who are to be the first to join and under what arrangements, but what the political knock-on effect of their entry will be on relations with third

countries (such as the Russian Federation) and the other European institutions, given that some states would prefer NATO enlargement to be linked with that of the European Union and WEU.

6. However for the time being, matters have not progressed beyond the stage of diplomatic overtures, with the real decisions to be taken after the intergovernmental conference completes its work on the revision of the Maastricht Treaty in June, and at the Atlantic Alliance summit due to take place in Madrid in July. Whatever their outcome, national parliaments will have to ratify the results and, in view of their implications in institutional, political, economic and defence terms, this will give the elected assemblies of central and eastern Europe an almost unique opportunity to bring their influence directly to bear on the enlargement process and consequently upon the geopolitical structure of Europe. The democratic deficit to which frequent reference was made during the debate on the ratification of the Maastricht Treaty, can be eliminated if parliaments are prepared to be politically adventurous and seriously take on board their responsibilities as the representatives of the nations that make up the continent.

7. For the democracies of central Europe which are to accede to the European Union and NATO, this will also be an opportunity to test the strength of the institutional links they have forged with one another in recent years and to look ahead to future political and parliamentary cooperation with one another in full knowledge of the fact that there will be several timetables for admission. Maintaining dialogue and consultation will make a significant contribution to overcoming the uncertainties that might arise as regards the varying positions in which different countries find themselves and represents a factor for political stability necessary to the overall success of the process for enlarging the European and transatlantic organisations.

II. The evolution of central Europe

8. The reality encompassed by the term "central Europe" is diverse and complex – being one where differences abound and the emphasis is on individuality, rather than one where any convergence between political and economic choices is apparent. As far as "western Europe"

is concerned the term is basically a semantic simplification used to designate the countries which belonged in one way or another to what was once known as the "socialist bloc". During the cold war period the expression "East Europe" was more readily used, although it now has little currency except, perhaps, in reference to the Russian Federation. However, strictly speaking, in geographical terms, Austria and Germany are as much a part of central Europe as are Hungary and Poland.

9. As to the degree of political and economic development the various countries have attained, three distinct categories can be distinguished among their overall number. The first comprises the states that are imminently to join NATO and the European Union, the second, for the time being rather ill-defined, consists of countries not included in the first wave, and the third of areas of the continent – from the Balkans to the Caucasus – which are still unstable. The first two groups include all the WEU associate partners which are the focus of the present report. The central European countries cannot be categorised with any degree of exactitude since within each group referred to there are developments taking place, one of the main purposes of which is to bring about accession to, or closer alignment with, the European and transatlantic institutions.

10. These countries cooperate with one another to differing extents in a number of fields, but there is no disguising the fact that despite all the efforts that have been made since the late 1980s, it has not been possible to establish a genuine economic and political working structure such as exists in the western half of the continent. While it is true that a wide variety of operating frameworks have been created – ranging from the Central European Initiative to the Visegrad Group or Black Sea Economic Cooperation – such limited initiatives involve only small numbers of countries and are regarded by some or all of their members merely as intermediary stages in their progress towards accession to the European Union and NATO. Contacts such as these are necessary moreover for the early settlement of differences which, if allowed to persist, could be detrimental to the ultimate goal, but they cannot in any way be said to represent any real policy coordination among the states concerned with a view to membership of the organisations in question.

1. *Redrawing central Europe*

11. The changes since the early 1990s, whether of a political, social or economic nature, can aptly be described as "revolutionary" even though this may at first sight seem to be a contradiction in terms. The first thing that needs to be grasped is that there is no question of a return to an earlier way of life, deflected from its original course by the imposition of communism, but of building new societies, in every sense of the word, within the region. Democracy and the market economy are complex realities in today's world, as individual as the states where they are practised, belying the simplistic notion that there is one unique pattern which simply has to be replicated for success to be guaranteed. This is something the central European countries quickly came to realise, when they first embarked on economic reform, and later in the political and institutional spheres.

(a) *A diversified economic area*

12. The way in which the economic reforms were carried out and their progress in recent years serve to illustrate the complexity that characterises the region. It is difficult to avoid the conclusion that such convergence or cooperation as seem to have been established have not given rise to date to a central European economic area in any state or form. Differing levels of development are admittedly also observable within the European Union, as is plain from the debate on the single currency, but its member states are all bound by a body of legislation the purpose of which is to regulate trade between them and with third countries. In central Europe there is little regional cooperation over NATO and European Union accession. Each country is pursuing its own course in an effort to join the European organisations as quickly as possible and not be held back by neighbours whose economic performance is not up to the mark.

13. Although the economic indicators are favourable on the whole, the picture is still one of instability and sharply contrasting conditions both between countries of the region and within them. This makes any overall approach to economic issues difficult even though some common trends can be detected. Even so, four distinct areas of development can be distinguished:

- states where economic reform is far advanced, with standards close to those common to European Union members,
- Romania and Bulgaria, where economic progress has been held back to an extent but which have recently put on a spurt and are now committed to fairly ambitious reforms;
- the former soviet republics, with the Russian Federation and Ukraine being something of a special case;
- the Balkan states, whose economic difficulties are also the result of the wars and conflicts of recent years and the internal political instability some of them are experiencing.

14. All the WEU associate partners fall into one or other of the first two groups and most have signed Europe agreements giving them preferential status in their relationships with the European Union. Of these the Czech Republic, Estonia, Hungary, Poland, Slovakia and Slovenia are the most advanced. But they are not yet entirely stable and are still dependent in large measure on the aid and assistance provided by European and international financial institutions: the World Bank, the IMF, the EBRD and the European Union. Nevertheless they have succeeded in making the most of their strengths in terms of human and other resources, in order to attain the level of development that characterises the western part of the continent as quickly as possible and for some of them accession to the European Union within the next five or six years is starting to look like a feasible prospect. Bulgaria has political instability to contend with and this has held up the reform of its economy, but an end to the power struggle should make it possible to take the decisions the IMF and other financial institutions recommend for its recovery. Romania, which is in better shape – in political terms too – can reasonably anticipate success in rebuilding its economy so as to be able to accede to the European Union in the medium term.

15. The new European states that emerged from the break-up of the USSR are still at a difficult stage in the reform of their economies. Because of their size and the human and natural resources they possess, the Russian Federation and Ukraine are of paramount importance, as

their internal economic development has political implications for the stability of the entire European continent. Production remains low in this particular corner of Europe, inflation is higher than in the other central European countries and, as a result of unemployment and the fall in real incomes, poverty is the lot of a large part of the population¹. Internal political instability also acts as a brake on the introduction of the reforms necessary to stimulate economic growth, without which living standards cannot rise. Aid from European and international financial institutions here takes on political significance, not only as a way of contributing to economic stability but also as a means of avoiding major social crises that might have political repercussions, at home and abroad.

16 After more than five years of interstate and civil war, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia (Serbia and Montenegro) are experiencing difficulties that stem from disruption caused to their economies by the conflict and the international and unilateral embargoes. Reconstruction in each of these states will be possible only with outside assistance adequate to meet the challenges they face and whose aims are consistent. Croatia and Serbia have the economic potential to overcome their difficulties, provided the internal political situation improves, but Bosnia and Herzegovina, subject to *de facto* division into three political entities (Muslim, Croat and Serb), is still waiting for the economic aid promised by European and international organisations, without which recovery is impossible in the short term, a factor which could threaten the entire peace process begun at Dayton.

17 The Former Yugoslav Republic of Macedonia whose territory has escaped the ravages of the Yugoslav conflict, has been badly affected by the fall-out from the international embargo against the belligerents and the unilateral embargo imposed by Greece. Nevertheless the improvement in its relations with its Greek neighbour, and the lifting of the embargo, give grounds for hope for an improvement in its economic situation. As to Albania, the absence of

effective reform has given rise to open insurrection against the central government and the resulting instability will further delay the country's economic recovery. It would seem that Albania should be a *prima facie* case for special help from the international financial institutions and the European Union in order to prevent the country from disintegrating completely, with serious consequences for its neighbours which are home to large ethnic Albanian communities or take in substantial numbers of Albanian refugees and immigrants

(b) The complex problem of establishing a community of interests

18. Economic diversity, which also drives regional competition, is one factor which has inhibited the formation of a central European entity to take over from the old cold war structures. The latter were imposed by a dominant power and were naturally enough rejected upon the demise of what was once known as the Soviet bloc, most of whose erstwhile members are now looking towards the European Union. Various forms of regional cooperation have admittedly been established, including free trade areas, but individual states have reverted to their national traditions, which serves in part to explain the differing approaches that can be observed to the economic reforms advocated by the international financial institutions and the European Union. This has inevitably led to variations in development, with some countries managing to stabilise their economies more quickly and align themselves more closely with European standards, while others are experiencing difficulties with the transition

19. It is clear, in this case, that the more developed nations have no wish to tie themselves down to regional commitments which would delay their assimilation into the European institutions. However this does not mean that ties formed in recent years need be abandoned and it is accepted in principle that if one country or another were to join, it would have a tonic effect on its close neighbours and on the region as a whole, provided that those states that remain outside the process can look forward to the prospect of integration in the medium term. Otherwise the effect might be to entrench lasting economic divisions on the continent, with overtones

¹ World Bank, 1996 Annual Report, Chapter IV, Europe and central Asia, page 111

of the North-South divide and damaging consequences for central Europe's stability

20. As the deadlines set for NATO and possibly European Union enlargement approach, this process is becoming more marked, with all the potential candidates seeking to display themselves to advantage in order to be the first to join, regardless of regional solidarity. Such an attitude is understandable from countries that are also trying to shake off feelings of having been isolated from and deprived of the benefits of Western European economic and institutional development for so many years, and which are apprehensive, in many cases with good reason, of continuing to be held at arm's length. The perception of enlargement as subject to possibly lengthy negotiation procedures and the fear of missing the opportunity on offer is spurring them on at speeds that vary but without – a fact worth noting – creating a spirit of competition between the applicant states that could give rise to political tensions.

21. The economic dimension thus provides an illustration of the sheer complexity that characterises central Europe, whose only common ground is the cold-war period. Further factors – cultural and religious diversity and the region's chequered history – lie at the root of crisis situations that at times have dramatic consequences. Although there has been substantial progress in interstate negotiations over settling border disputes or differences over minorities in the central part of the region – for example, the recent agreements between Hungary and Romania or Romania and Ukraine (still being negotiated) or, in a different register, between Germany and the Czech Republic – tensions still persist to the extreme north and south, for instance between Estonia and the Russian Federation (over defining common borders) or across the Balkans from Albania to Bulgaria.

22. A further factor in addition to those mentioned above, the degree of whose impact – positive or negative – cannot easily be evaluated, is the support a given country claims to have from one or more European Union states, and, conversely, how far a persistent disagreement with one of its member states may prejudice relationships with the Union. The search for external sponsorship thus leads to divisions that make the efficient operation of the few institutions for

regional cooperation which have been established in recent years – the Central European Initiative (of which Yugoslavia was a founder member) or the Baltic Council – somewhat problematic in the sense that any rapprochement with a major European Union member is perceived as an advantage in future accession negotiations and may lead to a weakening of cooperation with partners and neighbours that are less well placed economically and politically.

23. However in general terms, one can but applaud the efforts of recent years in the economic sphere. In spite of changes of government, the social problems attendant on any economic reform, the occasional scandals marring the privatisation process, pyramid investment swindles and the rest, these countries have managed to hold to a steady course in opening up their economies, adapting to competition and meeting current European Union standards. This process, as yet incomplete, marks the start of inter-European economic convergence and the ushering in of greater stability, not just in central Europe but throughout the entire continent

2. Regional geopolitical development

24. Economic diversity has its corollary in politics and a number of political variants which either hark back to the past (prior to the advent of socialism) or relate for example to religion or social structure can be distinguished. These variants also act as a spur in leading the central European countries towards a shared perception with the West of common values in society such as democracy, the free market (liberal or social, depending on the particular emphasis) and respect for human rights. Hence accession to NATO and the European Union seems inevitable, the more so as central European governments are on the whole endeavouring, as best they can, occasionally in the face of strong internal resistance, to meet the conditions for membership of both these organisations, in the political as well as the economic sphere

(a) The search for political stability within and between states

25. The re-establishment or in some cases the introduction of democracy in the central European countries has brought major changes in its wake, both within states and in terms of their international relations. The results are encour-

aging on the whole but in certain cases the process goes hand in hand with other factors, among them the introduction of economic reforms producing major social upheaval, which have been the cause of crises from Belarus to the Balkans whose outcome is still uncertain. Nevertheless such a transition seems irreversible, as the events that have taken place in Serbia or Bulgaria seem to show, where under the political circumstances specific to each country, governments have been faced with demonstrations against election-rigging or political or financial maladministration and forced to give into the demands of public opinion. These reactions serve to show the relevance of democratic ideals, even in societies which are seemingly resigned to or passive in the face of the authorities in power.

26. To summarise the criteria for analysis set out at the start of this report, three groups of countries can be identified that typify the range of possible forms of regional development

- a "hard core" of countries with sound democratic institutions which have successfully come through the test of a change of government, and where civil liberties, particularly press freedom and tolerance of minorities, have become firmly established to the point where they are no longer open to challenge;
- states which still have problems, in their domestic or foreign affairs, which are delaying their progress towards implementing commonly accepted democratic principles, such as freedom of information, the right to political dissent or ethnic minority rights,
- a third group consisting of countries, happily few in number, where there is uncertainty over the way they are likely to develop politically, and where flagrant attacks on civil liberties or acts of insurrection are reportedly occurring.

27 Most WEU associate partner countries fall unequivocally within the first group, although some are not entirely without reproach as far as freedom of information or respect for minority rights are concerned. Nevertheless a very definite improvement can be discerned despite the uncertainties weighing upon the political future of some of them – Bulgaria for instance – which, for the time being at least have emerged from

crisis. The NATO and European Union applicants fall into this category and the prospect of membership is a major incentive to them to commit themselves publicly to democratic values and their implementation. At the same time, the more stable political institutions become, the better the dialogue between states, building a trust that enables them to settle outstanding disagreements between them, such as, for example the dispute between Hungary and Romania. A little further to the east, Ukraine is also making satisfactory progress but its future is still threatened by factors that make for instability arising out of its relations with the Russian Federation and the part its large Russian-speaking community might play in this connection, particularly in the Crimea.

28 The successor states of former Yugoslavia, with the exception of Slovenia, fall into the second category. In Croatia, the internal situation is still dependent on the outcome of the Bosnian crisis and the country's relations with Serbia, which are in turn determined by the definition of the status of the populations of Serbian origin in eastern Slavonia. However, as has happened with Serbia, an improvement in the situation beyond Croatia's borders will lessen the grip on power of the forces of nationalism and help speed up democratic reform. Serbia has entered a delicate phase where power is shared between the central authorities associated with President Milosevic (now at the end of his term of office) and the opposition, which has secured control of the country's main towns. The restraint displayed by the two parties since their confrontation after local election results were cancelled illegally is an important indication of the maturity of Serbian civil society which, despite internal divisions within the opposition, offers an encouraging prospect for the country's transition to a genuinely democratic regime capable of setting about resolving the Kosovo problem.

29. Bosnia and Herzegovina and the Former Yugoslav Republic of Macedonia are both for different reasons reaching a major turning point in their existence. The implementation of the political aspects of the Dayton Accords – setting up joint tripartite institutions, re-establishing communication links and freedom of movement and residence for the various communities – has fallen way behind schedule and is clearly proving

inadequate to guarantee lasting peace after the expiry of the mandate of the NATO stabilisation force (SFOR) in 1998. In the absence of any genuine progress in the attitude of the present leaders, who see themselves primarily as representatives of their own communities rather than of the Bosnian people as a whole, European institutions must muster their efforts with a view to intervening more effectively in the political sphere and not simply confine themselves to providing funds. As to the Former Yugoslav Republic of Macedonia, internal development there continues to be tied to the outcome of the Albanian crisis and the search for an equitable compromise over the rights of the Albanian minority in its territory. Maintaining a United Nations force on Macedonian soil has helped political stability but there is no definitive solution in sight to the Albanian question.

30 Albania provides the perfect illustration of the third group of countries referred to earlier. Although, through lack of consensus, no decision on humanitarian intervention has been possible within the European Union or NATO, all eyes are upon it since its future political and economic development affect the entire Balkan region and, to the west, Italy. A large number of Albanians live outside the country's borders, in Kosovo or in the Former Yugoslav Republic of Macedonia. Relations are fractious with the Serbian central authorities and uneasy with those in Skopje. If the destabilisation of Albania were to lead to the collapse of organised government (whether President Berisha stays or goes) and the creation of no-go areas under the control of politicised or criminal armed gangs, Kosovo and the Former Yugoslav Republic of Macedonia might also become destabilised by extension, with arms flowing into those regions. Such a situation would doubtless lead to repressive measures against the resident Albanian community and give rise to a massive exodus first towards Albania and then to the surrounding countries, including Greece and Italy. That possibility was one of the factors entering into the calculation when a European military intervention force was constituted under Italian command. Finding a solution to the present crisis is therefore mandatory, not just for the Albanians but for the European Union as well.

31. In a different context, developments in Belarus are giving cause for concern, both on

account of the attacks on democracy and human rights violations that are taking place and because of the geopolitical implications of the situation there. Within the country power is concentrated in the hands of a democratically-elected president who is adopting an increasingly authoritarian political stance. This attitude has led to serious criticism on the part of European institutions and to the suspension of United States economic aid. At the same time, President Lukashenko has committed himself to a foreign policy essentially directed towards the Russian Federation and has made plain his opposition to NATO enlargement by proposing that if Poland joins, nuclear arms should once again be stationed on Belarus's territory. The lack of any organised opposition with widespread popular support, as there is in Serbia and Bulgaria, makes it difficult to exert any influence over the course of events and the Russian Federation alone appears to have the wherewithal to halt the drift towards authoritarianism which threatens to cut the country off from the general trend towards democracy observable throughout central Europe.

(b) Prospects for integration in European and transatlantic structures for cooperation

32. The opening-up of NATO and European Union membership to certain central European countries marks a historic turning point for the region since it heralds the end of the division of the continent into two distinct regions, a western and an eastern half – the first somewhat superficially characterised by membership of the Atlantic Alliance and the European institutions and the second made up of former “socialist bloc” states. However, the reality is more complex, for not all states within the transatlantic and European organisations have the same rights and obligations. This is becoming increasingly apparent as far as the European Union is concerned, both with regard to the implementation of certain common policies (in the social field or the CFSP area), where the United Kingdom and Denmark are entitled to a series of “opt outs”, and in the run-up to the single currency with all the disagreements over criteria.

33. Within NATO, enlargement, actively supported by the main Alliance member, the United States, now seems to be a foregone conclusion for three central European states at least: the

Czech Republic, Hungary and Poland Romania and Slovenia are also potential candidates for the first wave of accessions and there is no lack of declarations of support, given the concern to maintain a balance in the southern part of the continent. It is possible that most of the other candidates, from the Baltic states to the Balkans, could be included in a second round of enlargement. There are still three major unknowns: Russian Federation reaction to the decision on which countries are to join and the start of the negotiations leading to their assimilation into NATO structures, developments in Ukraine which is to sign an agreement establishing preferential relations with the Alliance, and the outcome of the process for ratification of the enlargement by parliaments of Alliance member countries – by no means a foregone conclusion.

34. It is still too soon to judge whether this process represents a step towards greater regional stability or an initiative essentially intended to give NATO a new lease of life (after the demise of the USSR and the military threat it represented), but it is clear that it must take place gradually if all the military and political structures of the Alliance are not to be reorganised at one fell swoop and preparations made for the direct confrontation with the Russian Federation that is bound to happen if the applications of the three Baltic states are accepted. This is a material fact which has to be taken into account even if certain central and eastern European governments, including the strongest applicants, find it unpalatable. Enlargement must go hand in hand with building up a relationship of trust with the Russian Federation, with internal reform of the Alliance which also has to do with Spain² and France being reassimilated into its military structures and with the relationship between

² Spain's full assimilation into NATO's military structures was accompanied by a request to have a subregional command stationed on Spanish soil, covering the whole of its – peninsular and island – territory and to be the host country to a core CJTF headquarters. For the present, discussions between Madrid and the Alliance military authorities are continuing (see article entitled "España devuelve por 'inaceptable' el documento inicial de la OTAN sobre su estructura militar [Spain rejects NATO's preliminary report on its military structure, on grounds of unacceptability]", *El País*, 6 April 1997 and *Atlantic News*, 9 April 1997).

NATO and certain central and northern European countries (Austria and Finland for example). This is a diplomatic and a political challenge with major financial implications³, which is reason enough for the gradual and selective approach adopted, since the consequences of an enlargement that failed to take account of such factors could usher in a period of instability in terms of the continent's security.

35. Pending decisions to be taken when the intergovernmental conference's work is over, the European Union is itself preparing for enlargement although at a markedly slower pace than NATO. This is in part because of the decision-making processes within the European institutions in which the Council of Ministers, the Commission and the European Parliament are all involved and which are followed by ratification by each individual national parliament. Economic and technical criteria here assume special importance, absent to an extent from the debate on NATO, and all the present members are intent on defending their own particular interests in this sphere to the last, even to the point of using their veto. This is especially true with regard to the common agricultural policy or structural development funds, for example. Notwithstanding public statements it is obvious that EU enlargement to include the central European countries will necessarily involve long and difficult negotiations which, moreover, will take place at a crucial time for the future of the European institutions.

36. Two major topics will in fact have an indirect influence on the success of those negotiations, the first connected with the results of the IGC and the practical outcome of the understanding reached in Dublin which commits the Union

³ According to a report from the American State Department to Congress, dated 24 February 1997, on NATO enlargement "the total costs of NATO enlargement for a first group of new members – costs to the United States, current members and new members combined – will be on average about \$2.1 to \$2.7 billion per year, for a total of \$27-35 billion .. between 1997 .. through 2009. ... The US share of these overall costs will average \$150-200 million per year .." The cost to the new members (the report does not say how many) is estimated at "\$800 million to \$1 billion per year or a total of \$10-13 billion from 1997-2009"

to opening negotiations on the accession of Cyprus within six months of the close of the conference and the second being the setting-up of monetary union which will in practice create a two-tier Union. Failure of the negotiations on Cyprus, which also have an indirect bearing on relations between Turkey and the European Union, will have implications for any follow-up enlargement, despite optimistic statements about accession by this or that central European state early next century; hence the idea of entering into discussions with ten countries in the region, (those with ties with the Union through association or Europe agreements) and Cyprus and Turkey. However this is far from satisfying those involved and could create tension between them in view of the fact that their chances at the outset are not equal and no consensus has emerged among Union members on a specific timeframe, or as regards procedures or the timetable

37. Timing is in fact a crucial factor here since convergence of the central European economies with the standards required for possible accession (discounting for the present the issue of the single currency) demands reforms that are at times difficult to implement because of their social implications and which can lead to major protest with electoral consequences that could prove a source of instability. It is essential that the authorities in power can explain the reason why such sacrifices are being sought, not solely in terms of market economics but by reference to a specific and quantifiable goal that their people can identify with – full membership, in other words, of the institutions which have today come to symbolise Europe. Failure to take account of this factor from the outset would help create expectations that could arouse misunderstandings and give rise to conflicts of interests, rather than strengthening the feeling of belonging to a real community of states based on shared values.

38. Whatever the outcome of the enlargement processes, which it is hoped will succeed for the sake of greater stability and prosperity in Europe, the main effort must come from the central European countries themselves. It is also up to them better to coordinate their efforts to defend their national interests in the coming negotiations and to represent the views of those of their neighbours which have no prospect for the time being of membership either immediately or in the

short term. Otherwise the policy of every man for himself is ultimately likely to prove counter-productive, give rise to divisions and prove a source of instability and insecurity for a fair number of states, among them the most vulnerable, for example, the Baltic states or the southern and Balkan countries. Accession must not be an end in itself, the ultimate goal is to strengthen security and stability, without which prosperity and economic development in the longer term are not possible.

III. The future of regional cooperation

39. In the early years of the present decade, which saw the demise of the Warsaw Pact and COMECON, its economic corollary, a significant number of cooperation initiatives of all kinds – economic, political or environmental – came into effect. Some of them grew into true institutions, acquiring a council of ministers and in some cases a parliamentary assembly. At the same time, the central European countries took their place as full members of the Council of Europe and the OSCE and drew closer to NATO (through NACC and the Partnership for Peace), the European Union (through the Europe and other association agreements) and WEU (through associate partner status). Those countries whose economic reforms were furthest advanced also joined the OECD (the Czech Republic, Hungary and Poland) and some set up multilateral structures for dialogue with European Union members, such as the Weimar triangle which brings together Germany, France and Poland.

40. Today, in the run-up to the decisions on NATO and EU enlargement, there is a case for questioning the meaning and future of the various forums for cooperation which have been created in central Europe. While the justification for the Baltic Council and the Central European Initiative is still quite obvious, the Visegrad Group and the Central European Free Trade Agreement (CEFTA) are unlikely to survive for very much longer if most of their members, possibly all of them, accede to NATO and the European Union in the near future. However, given that the prospects for accession to the European and transatlantic institutions are not the same for all, the existence of dialogue and cooperation arrangements in central Europe will contribute to

palliating the fear of marginalisation felt by those left out of the first wave.

41. This depends largely on the position the "new members" adopt. They will either put up a robust defence of their own national interests in the Union and the Alliance or help create closer links between those organisations and their regional neighbours, along the lines of the dialogue the Mediterranean countries of the European Union are trying to establish with the countries on the southern shore. Such an approach would also strengthen central Europe's presence in the conduct of European political and economic affairs in the wider sense and in defining new security structures for the continent

1. The institutional framework

42. Central European cooperation is spread across a number of frameworks which either bring together a small number of contiguous states or take in countries that are not regarded as part of the area. Their aims are diverse and concrete progress has by and large been limited in scope, although significant inasmuch as it represents the expression of a shared determination to resolve certain problems affecting central Europe ranging from the economy to the environment through dialogue and consultation. Political and security questions nevertheless remain a sensitive area and the initiatives taken are often the outcome of bilateral or joint action with western European countries that are members of NATO or the European Union. Here too, a parliamentary dimension has emerged which is contributing to strengthening dialogue with a view to finding solutions to regional problems.

(a) Prospects for political and economic cooperation

43. The evolution of central Europe in the 1990s is also marked by the renewal of historical ties severed during the cold war. The transition to parliamentary democracy and a market economy has occurred at a speed and through processes that are specific to each state. The Czech Republic, Hungary and Poland, which had previously had a parliamentary tradition and where economic reforms got off the ground in the early 1990s, have quickly reverted to the political norms shared by most so-called western European states. In other instances, such as Bulgaria and Romania, such changes were effected with

difficulty and even with violence, producing unstable situations that are still with us – in the former case at least. In the Balkans, the former Yugoslav and Albanian crises are still a source of concern and the prospects for economic development and for strengthening democratic institutions remain tenuous. The Baltic states quickly realised that in order to deal with pressure from the Russian Federation, they must enhance existing cooperation among them by reviving the Baltic Council and endeavouring to create a common economic area.

44. Institutions for cooperation have thus been born to meet either the concern to coordinate what are perceived to be common endeavours in the political and economic spheres, or to create a forum for dialogue and discussion to resolve problems affecting certain areas or countries. In parallel, links with the European and transatlantic organisations, viewed as a priority by most central European states, have been strengthened. In this respect, the achievements of regional initiatives are of a fairly modest order as none is capable of replacing or even providing a credible backup to NATO or the European Union. Having ruled out the possibility of considering political and security matters, as all but the Baltic Council have done, these miscellaneous institutions are restricted to areas where understanding is perhaps more easily reached, such as social problems or the environment.

45. However these are by no means minor concerns and moreover have an effect on stability in central Europe, as our Committee was in a position to appreciate when drawing up its report on parliamentary cooperation in the Black Sea area⁴ but there are also examples of inaction or a lack of a common political design within certain organisations, such as the Central European Initiative, initially a helpless witness to the violent disintegration of one of its founder members (former Yugoslavia) and now powerless in the face of the Albanian crisis, or the Visegrad Group whose members are coming forward piecemeal to join NATO and the European Union. Also, again referring again to Black Sea Cooperation, the fact that Greece and Turkey are

⁴ Parliamentary cooperation in the Black Sea area, Document 1544; Rapporteurs: Sir John Hunt and Ms Aytaman; 4 November 1996.

members, or indeed the Russian Federation and Ukraine, has not brought about any lessening of the abiding tensions between those countries – over Cyprus and the Aegean continental shelf in the case of the former or NATO enlargement and Crimea in relation to the latter.

46. Admittedly one should not overstate the case by failing to take account of the fact that these are organisations which operate as forums for dialogue and cooperation, taking small steps forward towards establishing better relationships between neighbours and contributing to an improvement in living standards though shared experience and advice on social, environmental and human rights issues. They are not committed to bringing about political or economic integration which explains why progress is limited in those areas. CEFTA is another example of the kind of initiative which is a response to a particular economic situation and will probably not survive the likely accession of the majority of its members to the European Union. Hence it seems clear that the aims and, in particular, the political and economic resources allocated to it will be limited to certain practical measures which, when the time comes, will not constitute an obstacle to European Union entry.

47. The Baltic Council at present offers an example of consistency of aims and resources in political, economic and security terms. The creation of a joint battalion drawn from the three states (Estonia, Latvia and Lithuania) to take part in peacekeeping tasks is a sign of a clear political will, although one not entirely devoid of ambiguity. Thus Estonia, supported by the Nordic countries of the European Union, seems to want to go it alone in applying for accession, while the prospects of NATO entry are for the moment uncertain as far as all three countries are concerned. It is vital for the Baltic states to show a united front on these issues, despite any differences they may have over other matters. Otherwise divisions will appear that may make them more vulnerable to pressure from the Russian Federation in the context of their relations with that country.

48. In actual fact, regional cooperation at multilateral level has never really got off the ground. The variety of economic and political choices, differing priorities on all sides, coupled with minority and border disputes, represent so

many obstacles to any movement in that direction. Participation in the work of the OSCE and the Council of Europe seems however to be more active, even though there appears to be no prior coordination between the various countries, as is sometimes the case between European Union or NATO member states. Contacts established in such forums have contributed to positive moves towards strengthening democratic institutions and observing minority rights, and have encouraged dialogue leading to the settlement of various kinds of disputes, such as between Hungary and Romania. The existence of interparliamentary assemblies within these institutions has also played a decisive part in the process.

(b) The importance of the interparliamentary dimension

49. The development of “parliamentary diplomacy” in parallel to action by governments – including its role in central Europe – has already been the subject of several reports by the Committee. The elected assemblies participate actively, through bilateral contacts and interparliamentary institutions, in strengthening democracy and stability within the region. Well to the fore is the Parliamentary Assembly of the Council of Europe. The fact that it brings together virtually all the countries of the continent, including the Russian Federation, confers especial importance on it as a forum for debate on the future of democratic reform, human and minority rights compliance and environmental questions. The Assembly makes a major contribution to strengthening democratic institutions by organising regular seminars and conferences on parliamentary topics and also provides assistance of a specialist nature to the parliaments of the central European countries and certain successor states of the former Soviet Union.

50. The OSCE Assembly is a newcomer to the interparliamentary scene, but is concerned with other, more political, issues, with a greater bearing on security and stability. Conflict prevention, crisis management and election monitoring tasks are the Assembly’s most important spheres of activity and it follows up any action undertaken by the OSCE executive authorities. Moreover the Parliamentary Assembly has a major advantage in that it covers an extremely wide area, extending as far as the Caucasus and central Asia, as well as numbering the United

States among its members. The countries of central Europe thus have a forum for debating and endeavouring to resolve questions with a direct bearing on their stability and security.

51. On a smaller scale, the Parliamentary Conference of the Central European Initiative has the advantage of greater homogeneity, which can be helpful when solutions are being sought to regional problems. It provides its sixteen members with a framework for dialogue that is essentially directed towards economic, legal and environmental matters. In this respect, the Conference bears something of a resemblance to the Parliamentary Assembly of Black Sea Economic Cooperation in terms of its membership since it brings together central European and European Union countries (Austria and Italy for the CEI and Greece as a member of PABSEC). These smaller organisations foster closer cooperation among their members, making it easier for them to identify the problems they have in common and possible solutions to them.

52. Further northwards, the Baltic Assembly, which has already been discussed by the Committee⁵, is still the only example of a parliamentary institution consisting solely of central European countries. It thus reflects the particular characteristics of its three members, all of whom, despite formal differences in the way each conducts its economic policy or its quest for assimilation into the European institutions, have the feeling of belonging to a community of interests based in part on their common history and deriving today from their perception of the need to present a united front to the Russian Federation. The absence of any prospect of their joining NATO in the near future can only strengthen this sense of unity and will perhaps lead to further integration, both of their economies and as far as security is concerned, while in other parts of the region the closeness of Alliance and Union enlargement may at times produce a retreat from the solidarity that binds countries belonging to the same organisation, as in the case of the Visegrad Group.

53. The North Atlantic Assembly might also be cited as an example, although it is not the parliamentary component of NATO but an

informal institution which also plays a very useful part in furthering parliamentary diplomacy and strengthening democracy through debate on all the various aspects of defence issues: economic, social, technical and ecological. The Assembly has a major instrument for cooperation with central European parliaments, in the ambitious programme of activities known as the Rose-Roth initiative, to which the Committee has already made reference in a report on parliamentary cooperation with the WEU associate partners⁶. The seminars and colloquies organised under its auspices provide an opportunity for exchanges of views on such subjects as democratic control over the armed forces or the role of parliaments in the discussion of defence issues, thus contributing to a sharing of experience of benefit to all national parliaments.

54. Like political cooperation, the interparliamentary dimension is better developed within the pan-European and transatlantic institutions than among the central European states. Bilateral cooperation exists, but with the exception of Estonia, Latvia and Lithuania, few countries have set up real central European interparliamentary discussion forums, preferring, to all intents and purposes, to develop direct contacts between national assemblies. This is a telling reminder of the diversity of interests and perceptions that characterises the region and which the European Union will have to take into account when negotiations begin over the accession of new members. WEU is also concerned with such issues, since the status of some of its associate partners is likely to evolve as NATO and the European institutions enlarge, and the Assembly has an important part to play in the context of interparliamentary cooperation.

2. Interaction with the European Union and WEU

55. The European institutions, often decried by the member states, undeniably exercise a powerful attraction for the states of central Europe. They represent an area of economic development and regional political stability, governed by common rules that apply to all and at the same time take account of each member's

⁵ The Baltic Assembly, Document 1460, Rapporteur, Mr Masseret, 22 May 1995.

⁶ Parliamentary cooperation with the countries of the WEU Forum of Consultation, Document 1414; Rapporteur, Sir Russell Johnston, 4 May 1994.

interests. The Union is also an extremely important economic focus in the world and is setting up structures for intervening politically, either in the context of future enhanced co-operation or in a framework common to the majority of member states. Since the signing of the Maastricht Treaty, WEU's involvement has been sought in strengthening the political role of the European Union in the framework of implementation of the common foreign and security policy (CFSP). From that standpoint, it seems logical for certain central European countries which are not to join NATO in the near future to want to speed up the negotiation process for entry to the Union

(a) European Union responsibilities

56. Today the European Union is central Europe's principal trading partner. In parallel to additional economic ties, the European institutions are pursuing a raft of economic assistance programmes such as TACIS, Interreg II and others, from which all states in the region benefit, including the successor states of the former Soviet Union. The Union participates actively in construction programmes in Bosnia and Herzegovina and Albania's frail economy is almost totally dependent on European aid. This is an immutable fact but one not matched by a political effort on the scale required. This stems from the peculiarity of the Union – the cheek by jowl existence of a community process covering areas that are essentially economic and an intergovernmental dimension, the CFSP

Decisions are more easily taken under the best of these systems, irrespective of whether they involve establishing preferential relations with central European states through Europe or association agreements or negotiating aid in the framework of existing programmes, as the areas they cover are technical by and large, with long-term political implications but no direct impact on the way the European institutions operate. Conversely, CFSP decisions involve all member states reaching agreement on a given objective – this is specifically the European Council's field of action. This means there is always the possibility of stalemate, as was the experience with the crises in former Yugoslavia and Albania. As far as enlargement goes, the go-ahead for opening negotiations should primarily be a decision which is taken under the responsibility of the

European Council, hence a political decision with implications in terms of the CFSP

58. So long as they fall strictly within the economic sphere, decisions are taken on the basis of technical criteria such as how much progress has been made on reform, growth rates, inflation, public sector deficits etc. Based on these factors, certain central European countries are potential applicants for admission in the short term, while for others the process will take longer. The major difficulty lies in the need to adapt existing institutions to a further enlargement, which implies a reform of both decision-making procedures and Commission and European Parliament membership. These are all essentially political matters, which the intergovernmental conference should attempt to address. In the absence of institutional reform, the assimilation of new members may lead to stalemate at executive level with economically deleterious consequences

59. Another factor to be taken into account are the political implications of the implementation of monetary union which will create *de facto* a two-tier European Union, with one tier more closely integrated than the other. It is clear that the countries which adopt the single currency will be in a position to impose their political and economic choices on the remaining members. The same arguments can be applied to developing closer cooperation, especially if this is at the instigation of the more powerful nations. The political sensitivity attaching to the implementation of these plans gives rise to reservations and objections even within those states with the heaviest commitment to such a course of action for it ultimately requires wholesale reform of the working of the European institutions instead of the multiplication and superimposition of working structures.

60. Under these circumstances and because of uncertainty over the outcome of the IGC, it is logical not to seek to enlarge too rapidly and to first test out the reforms enlargement is likely to entail. The parallelism it is hoped in some quarters to establish between NATO and the European Union has no real justification, for we are here dealing with different types of organisations with different objectives. It should be added that the central European states are not the only ones interested in acceding to the Union; there are also such sensitive cases as Cyprus and Turkey where

bad or rushed handling might provoke a serious crisis in relations between the latter and the European Union. All these factors make it difficult to take concrete decisions about admitting new members, despite the support some applicants can boast of from certain major Union members.

61. In the short and medium term the European institutions must deepen their relationship with the central European states by helping them align their standards with those of the Union and through closer political cooperation with them. At the same time future reforms must take account of enlargement, in other words they must envisage the implications the entry of the central European countries will have on its institutional workings, ensuring that decision-making is not obstructed or too great a burden placed on community budgets. Transparency and dialogue have a most important role to play here and it is essential that a timetable setting out clear objectives is fixed to allow potential candidates to prepare their case and justify to their own peoples the sacrifices already agreed to or still required. Successful internal reform is one of the conditions for successful enlargement, which is an important objective for achieving greater stability and regional development, but one that must not be regarded as an end in itself. To belong to the Union is to belong to a community of values and take part in framing a common vision of Europe's role in the world, including in relation to security matters.

(b) WEU's role?

62. Since 1994 WEU has involved in its activities those central European states which have signed Europe or association agreements with the European Union. Ten countries to date have been accorded associate partner status in our Organisation and as such are consulted regularly and attend meetings of the Council of Ministers. In parallel, WEU has established contacts with the Russian Federation and Ukraine and the French Presidency, whose term of office expires on 30 June, has made clear its intention of developing closer relations with the latter in matters relating to space and strategic lift. Nevertheless, none of the ten associate partners can aspire to full membership in the near future because of the political and legal ties that

exist between WEU and NATO on the one hand and WEU and the European Union on the other.

63. It must also be acknowledged that no central European country has yet officially expressed a desire to become a contracting party to the modified Brussels Treaty. Priority here is being given to the Alliance and the European Union, which can be explained in part by the lack of a real identity specific to WEU, which tends to be confused with the other two organisations. Nevertheless involvement in its activities, in parallel with the Partnership for Peace and NACC, gives the central European countries the opportunity to make known their interests and expectations with regard to European security. This does not of course meet their demand for a security guarantee, which in their view can only be provided by the United States.

64. Alliance enlargement will only involve a limited number of states (three or four) and it is to be expected that increased pressure will be brought to bear for closer links between WEU and those not included in the first wave. These will be very difficult to achieve without further changes to the existing statuses of countries that are not full members, basically the associate members. Today there are three⁷ and in three or four years their number will swell to six or seven. It should not be forgotten that they have a decisive influence over WEU's conduct of military operations involving the CJTF (combined joint task forces) principally by virtue of their seats on the North Atlantic Council. For the time being, as far as such matters go, maintaining the *status quo* and biding time are the order of the day but once NATO enlargement is underway and the IGC has completed its work, thought will need to be given within WEU to a new working framework for the central European states.

65. The Assembly will also need to keep a close watch at all times on these changes. As far as its powers are concerned, it is bound by the modified Brussels Treaty and can only reflect in its own work the policy towards the central European states that the Council has defined. Its room for manoeuvre is also limited by the requirement for its own delegations to be identical with those of the Parliamentary Assembly of the Council of Europe, an obligation written into

⁷ Iceland, Norway and Turkey.

Article IX of the Treaty. Moreover it too is waiting for the outcome of the IGC to find out what implications there are for WEU and this makes it difficult to forecast what its future relations with the parliaments of central Europe are likely to be. In general terms and given its fairly modest means, the Assembly has managed to establish close contacts with the parliaments of the associate partner countries and their concerns are frequently reflected in the reports submitted by its committees

66. Even if they have no voting rights, the associate partners are actively involved in the work of the Assembly; they are fully involved in sessions and colloquies and there are regular committee visits to those countries and elsewhere (Bosnia and Herzegovina, the Russian Federation or Ukraine for example) for exchanges of views and open debate on defence and security questions that affect them. It is clear that the various associate statuses will have to be modified and the rights and duties of the countries concerned clarified as their positions vis-à-vis NATO and the European Union evolve, but the impetus must come first and foremost from the Council which

alone is able to revise or interpret the modified Brussels Treaty.

67. The choices that are to be made this year within the Alliance and the European Union will radically change the central European landscape. The expectations of some countries will be met while others will have to wait a while longer and develop and adjust to the new European configuration. However this is merely one stage in a long process of assimilation in which the entire continent is involved, through the many frameworks for political, economic, security, welfare and environmental cooperation. Neither are NATO and the European Union, which are the focus of attention, themselves perfect or everlasting structures and they essentially operate on the basis of finely-balanced compromises, in constant evolution. The central European countries' impatience to join these institutions as quickly as possible is understandable but an ill-considered and hasty enlargement would run the risk of weakening the two organisations, or even of deflecting them from their goals, even though – and this should not be forgotten – they represent the fruit of more than forty years of working together.

APPENDIX

*Chronology of the main events in central and eastern Europe since 1994***1994**

9 May: WEU/central Europe – the foreign affairs and defence ministers of the nine WEU member states approve the creation of an associate partner status at Kirchberg (Luxembourg). This status was granted to nine central and eastern European countries – Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.

24 May: Ukraine – the leadership of the Crimea region and the central government agree to establish a working party with the aim of reducing tensions between the two parties.

June-July: Greece/Albania – the Greek Government expels thousands of Albanian illegal immigrants in response to measures taken by the Albanian Government against the Greek ethnic minority in Albania.

14 June: Ukraine/EU – signature of a partnership agreement.

22 June: Russia/NATO – Russia becomes a member of NATO's Partnership for Peace (PfP) programme.

10 July: Ukraine – Leonid Kuchma wins the Presidential elections with 52.14% of the vote, against 45.06% for Leonid Kravchuk, the outgoing President.

27 July: Ukraine – opening of discussions with the IMF on setting up an economic reform programme.

7 September: Albania/Greece – crisis between Greece and Albania after an Albanian court condemned six Greek-speaking Albanians for spying for a foreign power.

7 October: Bulgaria – President Zhelyu Zhelev dissolves the National Assembly and calls elections.

16 November: Ukraine – Parliament ratifies the nuclear non-proliferation treaty (NPT).

11 December: Russia/Chechnya – outbreak of war in Chechnya.

18 December: Bulgaria – general elections and victory for the Bulgarian Socialist Party (BSP).

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Slovenia/CEFTA – Slovenia accedes to the Central European Free Trade Agreement.

Early January: Russia/Chechnya – Russian offensive in Chechnya, Grozny taken by federal troops

11 January: Belarus/NATO – Belarus becomes the 24th signatory of the Partnership for Peace.

26 January: Bulgaria – a new government takes office under the leadership of Zhan Videnov, President of the Bulgarian Socialist Party.

1 February: Hungary – signature by the foreign minister of the Council of Europe's Convention on the Protection of National Minorities.

8 February: Estonia/Latvia/Lithuania – inauguration of a training centre for the Baltic Battalion in Riga. The Baltic Battalion, the first joint military unit drawn from the three Baltic states, is intended to improve regional security and to participate in peacekeeping operations abroad.

9 February: Albania – four Greek-speaking Albanians condemned for treason and illegal arms possession in September 1994 are released after the Court of Appeal finds there were procedural irregularities.

9 February: Former Yugoslav Republic of Macedonia (FYROM) – Parliament passes a law forbidding the use of the Albanian language on identity cards and passports despite protests from representatives of the Albanian minority.

- 10 February. Austria/NATO – Austria becomes the 25th signatory of the Partnership for Peace
- 16-17 February: Poland/Russia – visit to Poland by Viktor Chernomyrdin leading to the signature of an agreement on the construction of a 650 km stretch of gas pipeline on Polish territory.
- 17 February: Poland/United States – signature in Washington of a defence and cooperation agreement by defence ministers Jerzy Milewski and William Perry which covers shared military intelligence and strengthening of joint military manoeuvres but excludes arms sales.
- 21 February: Belarus/Russia – signature in Minsk of a treaty of friendship and cooperation by Presidents Lukashenka and Yeltsin.
- 5 March Estonia – parliamentary elections and formation of a centre-left government under the leadership of Tiit Vahi.
- 6 March: Belarus – President Lukashenka states that his country has no intention of joining NATO, unlike other former Warsaw Pact members, and that he rejects present developments threatening to bring NATO closer to Belarus' borders.
- 12 March: Croatia – President Tudjman agrees to a six-month extension of the United Nations Protection Force (UNPROFOR) mandate on Croatian territory.
- 12 March: Hungary – the government introduces a further series of economic reforms leading to increased imports, staff cuts in the public sector and lower welfare expenditure. Several ministers belonging to the socialist majority resign in protest. Further resignations follow in November.
- 13-14 March: Albania/Greece – visit to Albania by Greek Foreign Minister Karolos Papoulias in an attempt to smooth over relations between the two countries.
- 13-22 March: Albania/United States – joint military exercises in Albania covering provision of medical aid in the event of war or natural catastrophe.
- 15 March: Slovenia/European Union – start of negotiations leading to the signature of a Europe Agreement between Slovenia and the EU.
- 17 March: Ukraine – the Ukrainian Parliament annuls the constitution of the Ukrainian Republic of Crimea.
- 19 March: Hungary/Slovakia – signature in Paris of a treaty of friendship and cooperation by Prime Ministers Gyula Horn and Vladimir Meciar.
- 20-21 March: OSCE – meeting in Paris of the foreign ministers of the 52 member countries of the Organisation for Security and Cooperation in Europe (OSCE) for the close of the Conference on Stability in Europe which began in May 1994. The outcome was a “declaration on stability in Europe” The participants also gave an undertaking to implement the one hundred or so bilateral and regional treaties concluded during the conference.
- 1 April: Ukraine – a decree issued by President Kuchma gives him direct control over the government of the Ukrainian Republic of Crimea.
- 7 April: Ukraine – the International Monetary Fund (IMF) grants the country a loan package worth nearly US\$ 2 billion in support of the 1995 economic reform programme.
- 11 April: Russia – the IMF grants a 12-month standby credit of approximately US\$ 6.8 billion in support of the 1995 economic reform and stabilisation programme.
- 12 April: Estonia – the centre-left government gains the confidence of the IMF which grants Estonia a 15-month standby credit of approximately US\$ 22 million in support of the government's economic reform programme.
- 13 April: FYROM/Turkey – signature in Skopje of a military agreement to improve technical and military-industrial cooperation between the two countries.

17 April: Russia – Defence Minister, Pavel Grachev announces that his country will ignore the provisions of the Conventional Forces Europe Treaty (CFE) limiting Russian military deployment in the Caucasus until the region returns to stability, having warned on 3 April that Russia would withdraw from the CFE Treaty if NATO expanded too quickly.

21 April: Former Yugoslav Republic – UN Security Resolution 988 extends sanctions against the FRY for 75 days until 5 July. On 15 September the suspension is extended to March 1996

Early May: Croatia – Government troops retake western Slavonia from the rebel forces of the self-proclaimed Republic of Serbian Krajina (RSK).

9 May: Parliament passes a law intended to speed up the privatisation process, delayed since the majority socialist coalition took power in July 1994.

14 May: Belarus – the Belarus population grants wider powers to President Lukashenko in a referendum

17, 19 and 22 May: Bulgaria/Russia – signature of various economic cooperation agreements incorporating a section on the defence industry.

25 May: Ukraine/United States – visit to Lvov by Defence Secretary William Perry to attend the first US-Ukrainian military exercises.

26 May: Belarus/Russia – conclusion of a customs agreement between the two countries.

26-27 May: Central Europe – meeting in Keszthely, Hungary, of the Heads of State and of Government of Austria, the Czech Republic, Germany, Hungary, Italy, Poland, Slovakia and Slovenia to discuss European integration and the situation in Bosnia and Herzegovina.

31 May: Russia/NATO – Russian Foreign Affairs Minister, Andrei Kozyrev signs the section of the PfP on the individual partnership programme, covering joint training and manoeuvres and mutual consultation in various fields, from peacekeeping to nuclear security. At a press conference the Minister nevertheless reaffirms Russia's opposition to NATO enlargement.

1 June: Ukraine/EU – entry into force of the partnership agreement signed in June 1994.

3 June: Bosnia and Herzegovina – meeting in Paris of 15 NATO members and other European states contributing troops to Bosnia on the creation of a rapid reaction force of 10 000 men, operating under NATO mandate

6 June: Croatia/Slovenia – progress is achieved in resolving the border conflict following talks between Croatian Prime Minister Nikica Valentic and his Slovenian counterpart Janez Drnovsek

12 June: EU/Baltic states – signature of bilateral association agreements between the EU and Estonia, Latvia and Lithuania.

15 June: EU/Slovenia - the EU and Slovenia agree on an association agreement, to be signed after settlement of Slovenia's difference with Italy over confiscation in the 1940s of property belonging to Italians living in Slovenia.

19 June: Hungary – Arpad Goncz reelected by parliament as speaker for a five-year term.

20 June: Russia/Chechnya – after resolution of a hostage-taking led by Shamil Basaev in Budennovsk an agreement is signed on a ceasefire and negotiations on the withdrawal of Russian troops.

27 June: EU/central Europe – meeting between EU member and associate states to prepare a white paper on integration of the central and eastern European countries.

11 July: Bosnia and Herzegovina – Srebrenica taken by Bosnian-Serb forces after withdrawal of United Nations troops.

17 July: Belarus/Ukraine: signature of a treaty of friendship, good-neighbourly relations and cooperation between the two countries. Ukrainian President Leonid Kuchma stresses however negotiations on a possible customs union would be premature

23-24 July: Bosnia and Herzegovina – deployment of the British and French rapid reaction force on Mount Igman overlooking Sarajevo.

25 July: Bosnia and Herzegovina – taking of Zepa by Bosnian-Serb forces.

4-9 August: Croatia – in a lightning offensive, government troops overrun virtually the whole of the Krajina.

7 August: Bulgaria – Zhan Videnov's socialist government approves the arrangements for the distribution and use of vouchers in the first phase of the mass privatisation programme.

18 August: Visegrad Group – signature in Warsaw by the Czech Republic, Hungary, Poland, and Slovakia of an agreement providing for the establishment of a free-trade area before 1997. Slovenia is present as an observer.

17 August: Albania – launch of the privatisation programme by the issue of vouchers to private individuals.

30-31 August: Bosnia and Herzegovina – NATO's Operation "Deliberate Force" consisting of a series of airstrikes on Bosnian-Serb targets throughout Bosnia.

30 August: Albania/FRY – President Berisha denounces the Belgrade authorities' policy to install refugee Serbs from the Krajina in Kosovo.

7 September: Baltic countries – joint communiqué in which the Estonian, Latvian and Lithuanian Presidents stress their shared resolve to join NATO.

8 September: Bosnia and Herzegovina – meeting in Geneva between representatives of the Contact Group (France, Germany, Russia, the United Kingdom and the United States) and the Bosnian, Croat and Yugoslav Foreign Ministers (the last representing the Bosnian Serbs). Signature of an agreement on the basic principles for a peace agreement.

11 September: CEFTA – meeting in Brno in the Czech Republic of the Prime Ministers of the member countries of the Central European Free Trade Agreement (the Czech Republic, Hungary, Poland and Slovakia). They decide to admit Slovenia as a member before the end of the year and to grant observer status to Bulgaria, Estonia, Latvia, Lithuania and Romania.

11 September: Bosnia and Herzegovina – launch of a vast Bosnian-Croat offensive in central and western Bosnia.

12 September: Belarus – the IMF grants a standby credit of US\$ 293 million over 12 months in support of the economic reform programme.

13 September: FYROM/Greece – signature in New York of an interim accord between the foreign ministers of the two countries, providing for mutual respect of each other's sovereignty, territorial integrity and political independence and recognition of their joint border as international.

14 September: Bosnia and Herzegovina – NATO and the United Nations suspend Operation "Deliberate Force" for three days after Bosnian Serb leaders agree to withdraw their heavy weapons from the 20-km exclusion zone around Sarajevo.

14 September: Ukraine/NATO – Foreign Minister Udovenko signs an individual cooperation programme within the Partnership for Peace. On his return from Brussels, he reaffirms Ukraine's resolve not to take sides and to maintain its non-aligned status. The cooperation agreement signed with NATO contains no indication that Ukraine intends to join NATO.

1 October: Latvia: parliamentary elections lead to a highly-fragmented parliament with none of the parties gaining more than 6% of the vote.

- 2 October: Romania – start of the second phase of mass privatisation.
- 6 October: Ukraine – Parliament approves privatisations in the agricultural sector.
- 6-7 October CEI – Prime Ministers and Foreign Ministers of the ten member countries of the Central European Initiative meeting in Warsaw decide to admit Albania, Belarus, Bulgaria and Ukraine in early 1996.
- 12 October: FYROM/OSCE – FYROM becomes a member of the OSCE.
- 15 October: Greece/FYROM – the Greek Government lifts the embargo it imposed on FYROM in January 1994 and also its veto against the new state's accession to various international organisations
- 16 October: Albania/United States – signature of an agreement providing for exchanges of military information
- 29 October: Croatia – the Croatian Democratic Union (HDZ) again wins the parliamentary elections. Formation of a new government headed by Zlatko Matesa.
- 31 October: Slovakia/Russia – signature of six cooperation and economic assistance agreements.
- 2 November: Ukraine – Parliament suspends the privatisation process in certain industries
- 9 November: Ukraine and FYROM – both countries become members of the Council of Europe.
- 12 November: Croatia – signature of an agreement between the Government and the breakaway Serbs of eastern Slavonia. This proposes reintegration of the region into the Croatian Republic under UN administration for a transitional period of two years
- 15 November: FYROM/NATO – FYROM becomes the 27th state to sign the PfP.
- 15 November: Slovakia – Parliament passes a law confirming Slovak as the country's sole official language and restricting the usage of other languages in public life.
- 16 November: Albania – following a vote in the People's Assembly, the Government is called upon to resolve privatisation difficulties in the banking sector before March 1996.
- 19 November: Poland – presidential elections. Victory goes to Aleksander Kwasniewski, leader of the ruling Democratic Left Alliance (SLD), over Lech Walesa
- 21 November: Bosnia and Herzegovina – conclusion of a peace agreement in Dayton between Alija Izetbegovic, Slobodan Milosevic and Franjo Tudjman endorsing partition of the country.
- 22 November: Poland – launch of the privatisation programme agreed in 1993 covering 600 state enterprises
- 22 November: Former Yugoslavia – the UN Security Council lifts the sanctions imposed on former Yugoslavia in May 1992 and the arms embargo decreed against all former Yugoslav states in September 1991
- December: Hungary – launch of the public services' privatisation programme.
- 14 December: Bosnia and Herzegovina – signature in Paris of the peace agreement on Bosnia.
- 14-17 December: Chechnya – Doku Zavgayev is elected President of the Chechen Republic in elections organised by Moscow and boycotted by the separatists.
- 17 December: Russia – elections to the Duma. The Communist Party wins with 22.3% of the vote.
- 20 December: Bosnia and Herzegovina – the United Nations Protection Force is replaced by NATO's Implementation Force (IFOR – 60 000 troops).
- Late December: Chechnya – resumption of fighting between Chechen separatists and Russian Federation troops.

1996

January: Lithuania – the suspension of operations of the country's most important commercial bank, the LAIB, in December, followed in January by that of the Litimpeks bank, leads to Lithuania's most serious domestic political crisis since independence.

4 January: Ukraine/Russia/United States – Kiev summit on the implementation of the nuclear disarmament treaty signed in January 1994

4 January: Czech Republic/Slovakia – Czech Interior Minister Jan Ruml and his Slovak counterpart Ludovit Hudek sign a treaty in Prague defining their countries' common border.

5 January: Russia – resignation of Foreign Minister Andrei Kozyrev who is replaced by Yevgeny Primakov

15 January: Croatia – the UN Security Council passes a resolution authorising the deployment of 5 000 blue berets to supervise the demilitarisation of eastern Slavonia

19 January: Bosnia – first results of the implementation of the Dayton Accords: IFOR establishes a four kilometre-wide separation zone between the Muslim-Croat Federation and the Serb Entity

21 January: Bosnia – resignation of Bosnian Prime Minister Haris Silajdzic who is replaced by Hasan Muratovic and appointment of a new government on 30 January.

24 January: Poland – resignation of Prime Minister Josef Oleksy, replaced on 31 January by Wlodosimierz Cimoszewicz.

6 February: Ukraine – President Kuchma asks for help from the West in closing down the Chernobyl power station

17-18 February: Bosnia – mini-summit held in Rome under United States auspices on the follow-up to the Dayton Accords.

20 February: Bosnia – deployment in Mostar of a joint Croat-Muslim police force.

22 February: Russia – Mr Camdessus, IMF Managing Director, announces that an agreement has been reached with Russia over a loan of US\$ 10.2 billion.

27 February: Bosnia – the NATO Security Council lifts sanctions against the Bosnian Serbs; IFOR gives notification of its effective withdrawal from the separation zones

28 February: Russia/Council of Europe – Russia becomes member of the Council of Europe

18 March: Bosnia – mini-summit held in Geneva under United States auspices to follow up the Dayton agreement.

21 March: Albania/Greece – signature in Athens by the Albanian Foreign Minister Alfred Serreqi and his Greek counterpart Theodoros Pangalos of a treaty of friendship, cooperation, good-neighbourly relations and security.

26 March: Russia – the IMF adopts a three-year loan plan for Russia.

29 March: EU – opening of the intergovernmental conference.

29 March: CIS – the Presidents of four of the twelve members of the CIS – Belarus, Kazakhstan, Kirghizstan and Russia – sign a treaty in Moscow instituting a "community of integrated states".

30 March: Bulgaria/Russia – President Zhelev turns down Russian proposals for a rapprochement similar to that between Russia and Belarus and reaffirms Bulgaria's wish to be assimilated into Western European structures

31 March-1 April: South Balkans – meeting in Tirana of the Defence Ministers of Albania, Bulgaria, Italy, Macedonia, Turkey and the United States and a representative of the Swiss Presidency of the OSCE.

- 2 April: Russia/Belarus – signature by Presidents Yeltsin and Lukashenko of a union treaty forming a “Community of Sovereign Republics”.
- 8 April: FRY/FYROM – diplomatic relations are established between the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia.
- 12 April: Chechnya – the death is announced of the separatist leader Dzhokar Dudayev.
- 24 April: Croatia/Council of Europe – Croatia accedes.
- 29 April: Russia – the Paris Club reschedules Russia’s debt for US\$ 40 billion granting it six years before repayment of the principal and with the remaining commitments spread over a period of 25 years.
- 7 May: Bosnia – the first trial of war crimes in Former Yugoslavia opens before the International War Crimes Tribunal in The Hague.
- 7 May: WEU – meeting in Birmingham of foreign and defence ministers of the 27 WEU member countries
- 9 May: Bulgaria – start of the financial crisis caused by the fall in the rate of exchange of the lev. The Government speeds up structural reform.
- 10 May: Ukraine – the IMF approves a standby credit over 9 months of approximately US\$ 867 million
- 24 May: Latvia – the IMF grants a standby credit of approximately US\$ 43 million over 15 months to support the Government’s economic programme.
- 27 May: Russia/Chechnya – Boris Yeltsin and the new leader of the Chechen separatists, Zelimkhan Yandarbiyev, sign a ceasefire.
- 27 May: Ukraine – President Kuchma dismisses Prime Minister Marchuk and replaces him by Pavlo Lazarenko.
- 28-29 May: Baltic States – summit meeting in Vilnius between Presidents Algirdas Brazauskas (Lithuania), Guntis Ulmanis (Latvia) and Lennart Meri (Estonia) Signature of a joint declaration stressing the need to pool their efforts in their strategy for joining the EU and NATO. Signature of an agreement on bringing down customs barriers on agricultural produce. However no solution emerged to respect of territorial claims.
- 31 May-1 June: Czech Republic – parliamentary elections: Vaclav Klaus returned as Prime Minister
- 1 June: Ukraine – President Kuchma announces that Ukraine has completed its nuclear disarmament programme.
- 1 June: Bulgaria – after the first primary held within the Union of Democratic Forces, President Zhelev is replaced by Petar Stoyanov as the party’s candidate in the presidential elections to be held in January 1997.
- 2 June: Bosnia – mini-summit held in Geneva under United States auspices to monitor the Dayton Accords.
- 4 June: NATO – summit meeting of NATO members in Berlin.
- 11-22 June: Baltic states – the “Amber Sea 96” joint naval exercises involving Estonia, Latvia and Lithuania who are studying the feasibility of a common defence system, are held for the second year running.
- 26 May and 2, 16 and 17 June: Albania – parliamentary elections result in a landslide victory for the ruling Democratic Party of Albania. The opposition and OSCE observers point to irregularities.
- 14 June: Russia/NATO – General Pavel Grachev, the Russian Defence Minister, attends a meeting of NATO defence ministers in Brussels where it is decided to strengthen cooperation with Russia over

armaments manufacture and control and fighting organised crime and terrorism. The NATO ministers also accept in principle the institutionalisation of links between NATO and Russia, including exchanges of military staff. Negotiations open with Russia to persuade it to agree to NATO enlargement to include former Warsaw Pact members.

16 June. Russia – first round of Presidential elections. Boris Yeltsin wins 35.28% of the vote Gennady Zyuganov 32.04% and Alexander Lebed 14.52%.

17 June. Russia – President Yeltsin appoints General Lebed National Security Adviser.

18 June. Bosnia – the UN Security Council and sanctions committee vote to end the embargo on arms shipments to former Yugoslav states. On 19 June “Operation Sharp Guard” is suspended.

18 June. Latvia – the Saeima reelects Guntis Ulmanis President of the Republic. He promises to improve relations between the various ethnic groups living in Latvia, to seek better relations with Russia and to work for the country’s accession to the EU and NATO.

20 June. Lithuania – the Seimas ratifies the association agreement with the EU signed in 1995.

25 June. Russia – Boris Yeltsin signs a decree providing for partial withdrawal of Russian troops deployed in Chechnya by 1 September.

28 June. Poland – Parliament (Sejm) adopts a law allowing state enterprises to be privatised.

28 June. Ukraine – Parliament announces the adoption of a new constitution.

1 July. Bosnia – signature in Florence of an arms control agreement under the auspices of the OSCE between Bosnian Serbs, Bosnian Croats, Muslims and the governments of Croatia and Serbia. Under the terms of this agreement the five parties have 16 months to reduce numbers of weapons to a given limit. Five types of weapon are involved: tanks, heavy artillery, armoured combat vehicles, combat aircraft and attack helicopters.

3 July. Baltic Sea Council – adoption in Kalmar, Sweden, of a cooperation programme on security, economic development and the environment, to run to the year 2000. The document also stresses the importance of relations between the EU and Russia and the need for Estonia, Latvia, Lithuania and Poland to be fully integrated into the EU.

3 July. Russia – Boris Yeltsin is elected President of the Russian Federation with 53.8% of the votes as against 40.3% for Gennady Zyuganov.

5 July. Lithuania/Germany – signature of a financial cooperation treaty under the terms of which the German Investment and Development Fund becomes a shareholder in the Lithuanian development bank. This also forms the basis for granting long-term loans worth DM 20 million.

6 July. Albania – President Sali Berisha reappoints Alexander Meksi, of the Democratic Party of Albania, as Prime Minister following his party’s victory in the parliamentary elections held in May-June which were boycotted by the main opposition parties.

12 July. Estonia/Latvia – signature in Tallinn of an agreement on defining the maritime borders of the two countries.

19 July. Bosnia – resignation of Radovan Karadzic from the leadership of the Bosnian Serb Entity and as Chairman of the Serbian Democratic Party.

29 July. Estonia – the IMF grants the country a credit for US\$ 20 million over 13 months to assist the government with its 1996-97 economic programme.

6-14 August. Russia/Chechnya – Alexander Lebed who is in favour of reaching agreement with the Chechen separatists is given special powers by the Kremlin and takes charge of Chechen affairs.

21 August. Russia – the IMF approves the release of a US\$ 330 million tranche of a total credit of US\$ 10.1 billion approved in March.

23 August: Croatia/FRY – agreement normalising relations between the two countries by reestablishing diplomatic and consular relations. The two parties undertake to define their borders by mutual agreement and to resolve any disputes between them by peaceful means and to refrain from the threat or use of armed force.

31 August: Russia/Chechnya – General Lebed and Aslan Maskhadov sign a peace agreement providing for the withdrawal of Russian troops and a referendum on the status of Chechnya to be held in the year 2001.

6 September: Romania/Hungary – signature of an agreement on security and confidence-building measures providing for exchange of military information as a confidence-building measure between the two countries.

14 September: Bosnia – (i) election of the collective presidency of Bosnia and Herzegovina: Alija Izetbegovic (Party of Democratic Action, Muslim representative), Momcilo Krajisnik (Serb Democratic Party, Serb representative), Kresimir Zubak (Croatian Democratic Union of Bosnia and Herzegovina, Croat representative). (ii) election of the members of the Assembly of Union of Bosnia and Herzegovina (28-member Federation Chamber of Deputies and 14-member Republika Srpska Chamber of Deputies where the Party of Democratic Action won the largest number of seats); (iii) election of the Federation House of Representatives (Muslim-Croat Federation) where the Party of Democratic Action won a majority of seats. (iv) presidential elections in the Republika Srpska with victory going to Biljana Plavsic of the Serb Democratic Party which also won a majority in the People's Assembly.

16 September: Hungary/Romania – the Romanian Prime Minister Nicolae Vacarou and his Hungarian counterpart Gyula Horn sign a treaty of understanding and good-neighbourly relations under the terms of which Hungary abandons any territorial claim to Transylvania and Romania undertakes to guarantee the rights of the large Hungarian minority on its soil.

20 September: Estonia – Lennart Meri reelected President.

25 September: Poland/Russia – signature of a trade agreement providing for Poland to buy 250 billion cubic metres of Russian gas over the next 25 years.

17-19 October: Russia – Alexander Lebed is relieved of his functions as Secretary of the Security Council and replaced by Ivan Rybkin, former Speaker of the Duma.

October: Chechnya – Aslan Maskhadov, military leader of the Chechen separatists is appointed Prime Minister of the coalition government.

3 November: Bulgaria – presidential elections won by Petar Stoyanov, the Union of Democratic Forces (UDF) candidate.

3 November: Romania – presidential and parliamentary elections. Emil Constantinescu becomes President and his centre-right coalition, the Democratic Convention of Romania wins a majority in Parliament.

3 November: FRY – election of members of the Chamber of Citizens (lower house of the Federal Assembly with 138 seats). Victory goes to the United List dominated by the Socialist Party of Serbia (SPS).

5 November: Russia – Boris Yeltsin undergoes a heart operation.

8-9 November: CEI – summit in Graz, Austria. Moldova admitted as the 16th member of the Central European Initiative.

10 November: Lithuania – parliamentary elections lead to victory by the right wing parties. On 27 November the Seimas carries out the investiture of Prime Minister Gediminas Vagnorius.

17 November: FRY – the municipal elections bring victory to the opposition coalition "Together" (Zajedno) in 13 of the 18 main Serbian towns including Belgrade. The Socialist Party of Serbia

declares the results null and void in the immediate aftermath of the elections on grounds of "irregularities" during the ballot.

21 November: Bosnia – start of American arms supplies worth a total of \$ 400 million under the "Equip and Train" programme for bringing Croatian and Bosnian forces together in a single unit.

21 November. FRY – start of opposition demonstrations in Belgrade in protest against the annulment of certain municipal election results

23 November. Russia/Chechnya – signature by Prime Minister Viktor Chernomyrdin and the head of the Chechen separatist movement Aslan Maskhadov of an agreement on normalising relations between the two sides. This covers reestablishing communication links, transport of goods and raw materials and confidence-building measures in relation to defence matters. The agreement was criticised in Russia by both Nationalists and Communists.

24 November: Belarus – referendum on the constitution approving the wider powers granted to President Lukachenka: extension of the President's term of office from 1999 to 2001, appointment by the President of half of the members of the Constitutional Court and the Electoral Commission, of a significant proportion of the members of the new Parliamentary Assembly, and local leaders

27 November: FYROM – the UN Security Council approves the extension of UNPREDEP's (UN Preventative Deployment Force in Macedonia) mandate until 31 May 1997. Russia takes the view that the extension approved in May 1996 should have been the last and abstains

Early December. United States/SECI – President Clinton invites twelve south east European countries to Geneva to launch the South-East European Cooperation Initiative (SECI).

2-3 December: OSCE summit in Lisbon.

10-11 December. NATO – meeting in Brussels of the Foreign Ministers of the 16 NATO members. The ministers specifically state that the list of central and eastern European countries invited to join NATO between now and 1999 will be published at the Madrid summit to be held in July 1997. The final communiqué states that NATO countries "have no intention, no plan and no reason to deploy nuclear weapons on the territory of new members". Russia remains firmly opposed to any NATO enlargement towards the east.

11 December: Russia – Defence Minister Igor Rodionov resigns his army commission at President Yeltsin's request. He thus becomes the first civilian Defence Minister since 1925.

12 December: Bosnia and Herzegovina – the UN Security Council unanimously authorises deployment of the stabilisation force (SFOR) to replace IFOR whose mandate expires on 20 December (date of the formal transfer of power between IFOR and SFOR).

12 December: Bosnia and Herzegovina – appointment by the Bosnian Presidency of the co-Chairs of the Bosnian Council of Ministers: Boro Bosic (Serb) and Haris Siladjic (Muslim).

17 December: Bosnia – official transfer of the powers of the Bosnian Republic government to the Federation government. Bosnia and Herzegovina ceases to exist. In parallel the self-proclaimed Bosnian Croat para-state Herceg-Bosna ceases to exist. All of the above developments take place under the terms of an agreement signed in Geneva between Franjo Tudjman and Alija Izetbegovic on 14 August 1996.

21 December: Bulgaria – Zhan Videnov resigns as Prime Minister and from the chairmanship of the ruling Bulgarian Socialist Party. His resignation follows the defeat of his party's candidate in the November Presidential elections.

27 December: FRY – the OSCE's report on the municipal elections supports the Serb opposition coalition Zajedno's claim to victory in Belgrade and in 13 other cities.

29 December: Chechnya – withdrawal of the last of the Russian combat forces leaving only logistical and transport units on Chechen territory.

1997

21 January: Czech Republic/Germany – signature in Prague of a declaration of reconciliation. The Czech Republic regrets the expulsion of the Sudetan Germans and Germany apologises for the annexation of Sudetenland in 1938 and atrocities committed under German occupation.

23 January: Albania – Parliament outlaws pyramid finance schemes. The following day there are violent clashes between 5 000 demonstrators and anti-riot police in Lushnja in the south of the country.

28 January: Germany, France, Poland - signature in Warsaw of an agreement to strengthen military cooperation between the three countries

14 February: Bosnia – an international arbitration commission on the fate of the disputed town of Brcko, claimed by Bosnian Serbs and Muslims, defers its final decision to 15 March 1998 and makes provision for the appointment of a UN supervisor.

28 February: FRY/Bosnia – signature in Belgrade of an agreement establishing “special ties” between the Federal Republic of Yugoslavia and the Republika Srpska.

End February: Romania – Prime Minister Victor Ciorbea announces a programme of economic reform, involving a drastic reduction in the budget deficit, liberalisation of foreign exchange and speeding up the privatisation process, the stated objective of which is to put the economy on a healthy footing so as to obtain IMF loans

Early March: Bosnia – the United States announce that American troops are to withdraw at the end of the SFOR’s mandate in mid-1998.

2 March: Albania – President Sali Berisha is reelected for a term of five years by Parliament and a state of emergency is proclaimed after riots cause thirteen deaths in the southern part of the country.

4 March: Russia/EU – summit in Moscow between President Yeltsin and EU leaders to strengthen economic partnership. Although the cooperation agreement signed in Corfu in 1994 has not been ratified by all member states an interim agreement is allowing trade arrangements to be implemented.

4 March: United States/Bosnia – Defence Secretary William Perry states that American troops in Bosnia will withdraw in mid-1998 and that in the event of disturbances continuing Europeans will have to provide the necessary troops.

6 March: Bosnia – the OSCE defers municipal elections to September to ensure a “high quality” ballot, the results of which can be relied upon. The elections which have been deferred repeatedly since September 1996, are to take place on 12 and 13 July.

7 March: Russia/Council of Europe – the European Commission, the Council of Europe and Russia agree new projects for the current year and 1998 within the framework of the joint programme adopted in 1996 (budget: 3.9 million ecus) to help Russia meet commitments and obligations contracted (especially in connection with constitutional and legal reform) when it became a member of the Council of Europe.

7 March: Russia – Boris Yeltsin appoints the head of the President’s staff, Anatoli Chubais, as Deputy Prime Minister

9 March: Albania – President Berisha and the opposition reach agreement on a general amnesty, the formation of a government of national reconciliation and the organisation of parliamentary elections under OSCE supervision before June. However the rebels in control in the south of the country reject the agreement.

10 March: Romania – President Constantinescu states in a radio interview that the costs of modernising the country’s armed forces are the only obstacle to his country’s joining NATO as Romania already fulfils the criteria for democracy and human rights compliance.

12 March: Bosnia – the civilian High Representative in Bosnia, Carl Bilt, announces that the UN international police force in Brcko is to be strengthened; also the appointment of the American diplomat, Robert Farrand, as “supervisor” of the town authorities.

12 March: FYROM – the Skopje authorities ask for the process of reducing the number of UN blue berets on its territory to be suspended on account of the escalation of the Albanian crisis. The Security Council decided in November to reduce the UN force in Macedonia by 300 men by 30 April

13 March Albania – President Berisha, supported by the country’s entire political élite, requests international military intervention to reestablish constitutional rule and hold the country together.

13 March: Albania – the WEU Assembly’ Defence Committee, meeting in Athens, unanimously adopts a draft recommendation requesting the WEU Council to “ask the Planning Cell to (i) draw up a contingency plan for possible operations in Albania covering the full range of Petersberg operations ... including control over the restitution of arms and munitions” and (ii) to instruct the WEU Satellite Centre in Torrejón to provide ongoing assessments of the situation in Albania for use by both the Council and the Planning Cell. On 13 March the WEU Assembly’s Standing Committee also unanimously approves the recommendation. The Assembly also notes that extending stability and security to the east is primarily a European responsibility and the greater the European role in NATO the more acceptable the opening up of the latter will become to those who fear increased United States dominance in the world

13 March. Slovakia – the European Investment Bank grants Slovenske Electrame, the Slovakian national electricity company a loan of 70 million ecus, guaranteed by a consortium of eleven European, American and Japanese banks. On the same day, President Michal Kovac decides on 23 and 24 May 1997 as the dates for two referendums on Slovakia’s accession to NATO and the election of the head of state by universal suffrage.

14 March: Albania – the spokesman for the UN Security Council states that the United Nations is powerless to intervene in a civil war

15 March: Germany/Albania – the German Government, forced to evacuate its nationals from Tirana as a matter of urgency, calls in a unit of the Bundeswehr stationed in Bosnia. This is the first time since 1945 that an action of this nature is undertaken without Parliament’s explicit agreement.

17 March: Russia – President Yeltsin appoints Boris Nemtsov as First Deputy Prime Minister alongside Anatoli Chubais

18 March: Bulgaria/Albania – the Bulgarian Foreign Minister announces that Bulgaria is ready to participate in initiatives to restore order in Albania under the auspices of an international organisation.

18 March: Italy/Albania – the Italian Foreign Minister, Lamberto Dini, meets his Albanian counterpart, Arjan Stavora, to coordinate the Italian Government’s humanitarian action with that undertaken by Tirana. The Italian authorities reiterate that their country is only temporarily open to refugees.

19 March: Italy/Albania – to deal with the influx of Albanian refugees (almost 11 000 people crossed the Straits of Otranto in one week) the Italian Government declares a state of emergency over the whole of the territory until the end of June. This exceptional immigration control measure provides for the issue of a two-month visitor’s visa to refugees, extendible by one further month, and repatriation of any persons regarded as dangerous.

20 March: Albania – as a proof that order has been reestablished in the capital the Albanian authorities reopen Tirana airport

20 March: Germany/Albania – the Bundestag formally approves the operation for evacuating nationals carried out by the Bundeswehr in Albania on 15 March.

20 March: Romania – the members of the G24 (which brings together the 24 most advanced industrialised countries and coordinates financial assistance from them to the central and eastern European countries under the Presidency of the European Commission) undertake to provide

approximately US\$ 145 million in aid to Romania to enable it turn round its balance of payments. The EU had already decided to reschedule a loan to Romania of 70 million ecus.

20 March. Slovakia – Prime Minister Vladimír Mečiar, visiting Paris, receives support from France for his country's integration into the European institutions.

20 March. FRY – the Yugoslav Parliament ratifies the treaty establishing "special relations" between Belgrade and the Bosnian Serbs. The main objective of the treaty is to create a single market.

20 March. Ukraine/NATO – addressing the Ambassadors of the 16 Atlantic Alliance countries, Ukrainian Foreign Minister Udovenko states that his country's strategic objective is to be fully integrated with European and Euro-Atlantic security structures, including NATO.

21 March. Italy/Albania – the Italian Defence Minister rejects the idea of armed intervention by Italy and Albania.

20-21 March. Russia/United States – summit meeting held between Presidents Yeltsin and Clinton in Helsinki. The following day President Yeltsin states that Russia's intention is to achieve recognition at last as a fully-fledged European state and that it is also ready to join the European Union.

26 March. Bosnia/NATO – President Izetbegovic asks President Clinton to allow his country to join the Partnership for Peace on the grounds that it might open the way to a more lasting peace within the region.

26 March. Albania – the European Commission approves an initial allocation of humanitarian aid worth 2 million ecus for victims of the Albanian crisis being cared for by the International Red Cross (medical assistance and emergency food aid).

28 March. Albania – the UN Security Council approves the deployment of a force responsible for protecting humanitarian intervention in Albania. The force, under Italian command, is being deployed in accordance with Chapter VII of the United Nations Charter for a three-month period.

28 March. Italy/Albania – an Albanian patrol boat carrying a hundred or so refugees founders off Brindisi after colliding with an Italian navy vessel. The disaster toll rises to over 80 victims.

31 March. FRY/Republika Srpska – conclusion of a customs agreement between the Bosnian Serb authorities in Pale and Belgrade.

2 April. Belarus/Russia – signature in Moscow of a draft treaty of union between Belarus and Russia.

11 April. Albania – European military deployment begins in the country with the disembarkation at Durres of an initial Italian contingent, to be followed by units from France, Greece, Romania and Spain.

12-13 April. Bosnia – Pope John-Paul II visits Sarajevo.

13-14 April. Croatia – the ruling Croatian Democratic Union (HDZ) wins a decisive victory in the Zagreb municipal elections with a majority in 19 of the 21 regional councils.

14 April. Russia – the Chairman of the World Bank announces that Russia is to be granted a US\$ 6 billion loan over two years – two thirds of it to contribute to Russia's budget and the rest for investment. He also confirmed the World Bank's intention of negotiating a second loan for modernising the Russian coal industry.

14-15 April. ERDB – at the ERDB's annual general meeting, representatives of the central European countries, in particular the Czech Republic and Poland, request the bank not to pull out in order to help them better prepare their accession to the European Union.

15 April. Bosnia – the members of Bosnia's collegiate presidency reach agreement on a currency and on the establishment of a single central bank.


15 April. EU/Slovenia – the Slovenian Prime Minister, Janez Drnovsek, announces he is to submit the Europe agreement signed with the European Union last June to parliament for ratification.

17 April: Albania – the main Albanian political parties – President Sali Berisha’s Democratic Alliance and Prime Minister Bashkrim Fino’s Socialist Party – agree to hold early (parliamentary) elections on 29 June

17 April. Romania – Parliament adopts the 1997 budget, which envisages a budget deficit of 4.5% of GDP.

17 April: Russia/NATO – President Yeltsin announces that a NATO/Russia summit will be held in Paris, on 27 May, during the course of which a strategic cooperation agreement is due to be signed

19 April. Bulgaria – Parliamentary elections result in victory for the centre-right coalition, the United Democratic Forces, with 52.03% of the vote. The Bulgarian Socialist Party secures a mere 22.04% of the vote. The turn-out, at 58.31%, is the lowest since 1989.

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