

**DEFENCE AND
SECURITY**

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Original: English



NATO Parliamentary Assembly

**SUB-COMMITTEE ON
FUTURE SECURITY AND DEFENCE CAPABILITIES**

NATO'S ONGOING ROLE IN BALKAN SECURITY

DRAFT REPORT

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21 April 2005

* Until this document has been approved by the Defence and Security Committee, it represents only the views of the Rapporteur.

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^{*} Turkey recognises the Republic of Macedonia with its constitutional name

I. INTRODUCTION

1. Despite the lack of open hostilities in the Balkan region, NATO still has an important role to play in ensuring the stability of the area. That role will have two main aspects in the coming years. First, working with other international organizations and the local population to prevent widespread ethnic violence in Kosovo and reach a final status for the area. Second, to work with the governments and militaries of the region that want either to join NATO or to establish a closer relationship with the Alliance.

2. In a world dominated by headlines focused on the Middle East and elsewhere, it may seem surprising that the Sub-Committee on Future Security and Defence Capabilities decided to focus on NATO's role in the Balkans. But in fact the Balkans are quite literally central to the future security of Europe. Our visit to Bosnia in 2004, and the Rose-Roth Seminar in the FYR of Macedonia that same year revealed a number of unresolved issues that could seriously undermine our mutual security in Europe. Kosovo remains a potentially explosive region. Organized crime flourishes across the Balkans. Weak governing structures and law enforcement could be exploited by terrorist groups seeking bases close to European population centres. Although the region appears relatively tranquil at the moment, its numerous problems need to be addressed or they could pose significant threats to European security in the near future.

3. In addition, the Balkan region is in many ways the testing ground for the relationship between NATO and the European Union. This relationship is likely to strongly influence the future of Transatlantic Alliance. If that relationship flourishes and is based on complementarity, transparency and pragmatic co-operation, the Transatlantic Alliance will likely remain a vital component of our mutual security. If that relationship flounders, it will likely begin to chip away at some of the founding ideals of the Alliance.

4. The Balkans region is where theory becomes reality in the NATO-EU relationship. The EU has taken over from NATO in Bosnia, and the vast majority of troops and commanders in the KFOR (Kosovo Force) are now from EU member countries. The EU is also represented by other non-military capabilities such as the police missions, the developmental assistance programmes and the aid and advice given in justice and civil affairs. Most of the countries in the region want to be a part of both the EU and NATO. It is important that we demonstrate that there is a high degree of complementarity between the two to encourage positive developments in the Balkans.

5. In general there is a high level of co-operation on the ground as the Sub-Committee found in its visit to Bosnia in 2004. But as we move forward from straightforward peacekeeping to more complex issues, it will be important to maintain this co-operation. Whatever the discussion in Brussels is regarding NATO and the EU, the place where the relationship is most put to the test is the Balkans. A smoothly functioning relationship there will have positive ramifications at a more political level.

6. This report will examine the mission in Kosovo and consider NATO's role as we move toward a final status for the region. It will also look at the FYR of Macedonia's progress in meeting the milestones for eventual membership in NATO. We also consider the progress of Serbia and Montenegro in moving toward closer partnership with NATO. The Sub-Committee will visit all of those countries in 2005 and the final report will be based primarily on the findings of those visits. This draft report, however, was written before those visits could take place and is therefore based on documents by the United Nations, non-governmental organizations, and government publications. In particular, your Rapporteur acknowledges the very comprehensive report on the Western Balkans by the United Kingdom Parliament Select Committee on Foreign Affairs. As such the final report will likely be substantially different than this draft, which should be seen as a background document.

II. KOSOVO

7. The 1999 military campaign to end the ethnic violence in Kosovo left it a ward of the International Community. The UN Security Council placed Kosovo under UN administration in the form of the UN Interim Administration Mission in Kosovo (UNMIK) until the final status of the region could be resolved. NATO is the guarantor of security in Kosovo through the KFOR. Other international organizations such as the OSCE and the EU play important roles as well.

8. UNMIK is organized under a four-pillar structure in which Pillar I (police and justice) and Pillar II (civil administration) are under direct UN control and Pillar III (democratisation and institution building) and Pillar IV (reconstruction and economic development) are led by the OSCE and the EU respectively.

9. NATO has a separate but closely related mission to provide security while the UN and others attempt to ready the region for its political future. KFOR is currently commanded by French General Yves de Kerambon and stands at 17,500 troops from across the NATO Alliance and partner countries. Reserve forces can also be brought in from Bosnia if necessary, such as during the March 2004 ethnic riots.

10. The March 2004 riots revealed substantial weaknesses in the system put in place in 1999 and many observers seriously question the effectiveness of UNMIK in the current environment. Economic development and reconstruction efforts have been generally unsuccessful, the local population is said to be alienated from the UN administration, and UNMIK is dogged by allegations of corruption.

11. This led to an internal review by the UN of how to improve UNMIK's functioning. In his report to the Secretary General, Ambassador Kai Eide suggested a two-phase restructuring of UNMIK. First the administrative structure should be streamlined but keep the four pillar system. After this there could be a major restructuring with a gradual reduction in the role of the UN and an increase in the role of the OSCE and the EU.

12. No matter what reorganization occurs, the purpose is not to be a permanent administration for Kosovo. Rather, the goal is to build institutions and the political and economic framework so that a workable final status for Kosovo can be put into place. The Provisional Institutions of Self-Government (PISG), set up under the terms of the same UN Security Council resolution that created UNMIK, are gradually taking responsibility for some functions of governance although foreign affairs, security and minority rights remain under UN control. The plan is that eventually the local leaders will be able to assume responsibility for maintaining a stable and multi-ethnic society.

13. In October 2004, elections for the Kosovo Assembly put the ethnic Albanian leader Ramush Haradinaj in the position of Prime Minister. But the elections were boycotted by the Serb minority, which raises serious questions as to how the Assembly can represent the whole of the population and if Serbs see any future in Kosovo. In addition, Mr Haradinaj is under indictment by the International Criminal Tribunal for the former Yugoslavia (ICTY) for war crimes committed when he was a leader of the Kosovo Liberation Army in the late 1990s. He surrendered himself to the Tribunal in the Hague in March 2005. Regardless, his popularity among ethnic Albanians cannot inspire much confidence in the Serbian minority.

14. Kosovo has been held in state of suspended animation for the last five years. The majority of the population favours an independent Kosovo, but the Serbian minority and the government of Serbia and Montenegro is opposed to losing what is considered to be the heart of historic Serbia. As a result, Kosovo is suspended between being an independent state, a part of Serbia and

Montenegro, and a *de facto* protectorate of the UN. It has some institutions of self-government, but the UN controls much of the actual administration. It is still formally a part of Serbia and Montenegro, but Belgrade has no control over Kosovo. Clearly such a situation cannot last indefinitely and the problem is arriving at a final status that the entire population and neighbouring states can accept.

15. For some time the catchphrase has been “standards before status” meaning that certain standards for the protection of minorities, rule of law and civil administration should be in place before the final status issue can be broached. Yet, many within the UN and academic community believe that the original standards are over-ambitious and that the standards should be recalibrated to fit current realities. The rights of minorities must be protected but it may be time to consider a more realistic set of standards to move the process forward.

16. One point should be stressed: time is running out in Kosovo. The population is frustrated with the current situation and the UN administration is reportedly broadly unpopular. The economy is in dire condition, unable to create jobs and relying on remittances from Kosovars living abroad. Final status will not solve the regional economic difficulties, but it is a necessary if not sufficient condition for improving the situation. Negotiations on the final status are expected to start in 2005 and come to a resolution in 2006. It is critical that we set Kosovo on a path toward stability in the coming year.

17. The March 2004 riots showed just how precarious is the situation in Kosovo. KFOR was able to contain the unrest, but not without some difficulty. The violence revealed that KFOR was not well prepared to deal with this sort of contingency. Many troops lacked the training and equipment for riot control.

18. To their credit, KFOR commanders have learned from this incident and KFOR has since worked to improve its capabilities. The emphasis is on improving riot control, and building more flexibility into the force. KFOR is also working to build better connections with the local population and the UN police presence.

19. The issue of national caveats-restrictions placed on the use of forces by national governments- appears to have been resolved. Those caveats placed restrictions on the use of national contingents for crowd control without approval from the national capital and were a significant burden on KFOR commanders who could ill-afford the hours of waiting that it took to get approval from national capitals. The removal of most caveats since then has helped to make KFOR a more flexible force capable of immediate response. KFOR also now features a dedicated tactical reserve that can be drawn on in the event of another crisis. Previously, KFOR commanders had to request and wait for additional troops to be supplied, wasting precious hours or even days.

20. Ultimately, however, responsibility for security will be progressively handed over to the local forces. Two security forces have been created: the Kosovo Police Service (KPS) and the Kosovo Protection Corps (KPC). The KPS is composed of 6,500 Kosovars and 3,500 international officers and the ultimate goal is to build a local police force capable of replacing the international police while maintaining international policing standards. According to a report by the International Crisis Group, the KPS performed well during the March riots although they were limited by their training and lack of equipment. Ambassador Eide’s report to the Secretary General also notes that it is necessary to train the KPS to cope with civil disturbances and provide them with riot control equipment. Some reports find that the international officers are often limited by the language barriers between them and the local officers and recommend limiting participation in the mission to a few countries to minimize those problems.

21. The KPC is a civil emergency force composed of 3,000 active and 2,000 reserve members. Essentially the KPC was created as a way to incorporate former members of the Kosovo Liberation Army into a legitimate structure under the control of the UN Special Representative. As a result it is a relatively incoherent entity that is not connected to the PISG. It is overwhelmingly composed of ethnic Albanians and minorities are only 4% of the total force. This clearly poses problems if the KPC is supposed to be the first stage of an army for Kosovo, should it become an independent country in the future. The report by the UK Parliament Select Committee on Foreign Affairs notes those problems and recommends that the International Community do more to develop the KPC into a "modern, democratically accountable force with minority representation."

22. The fundamental difficulty in Kosovo is striking a balance between the demands of the ethnic Albanian community for total independence and the rights of the Serbian minority to live in peace in Kosovo. It is a difficult balance to achieve. If the process toward a final status moves too slowly, ethnic Albanians may conclude that the UN is simply stalling. But the Serbian minority and the International Community will not tolerate a process that fails to guarantee standards that protect minority interests. Any solution must be negotiated; an attempt to impose a *fait accompli* on either the Albanian or Serbian communities would likely result in a strong backlash, both in Kosovo and in Serbia.

23. The International Community will have to remain intimately involved in the governance and administration of Kosovo for the foreseeable future. But it is important that Kosovars - both Albanian and Serbian - become increasingly more responsible for their own future. Remaining a ward of the International Community offers no real political or economic future for Kosovo.

24. The relevant question for this Sub-Committee is, how does NATO fit into this puzzle and what should its role be in the future? We will visit Kosovo and the focus on the following questions, the answers to which will be incorporated in the final report.

- Does KFOR have adequate resources to cope with the full range of contingencies? Reports indicate that much of what the commanders of the mission have asked for has been delivered, but how confident are they that they can prevent another outbreak of ethnic violence? Perhaps more importantly, how confident are local officials?
- What is the state of the local security forces and what is KFOR doing to assist them to become guarantors of the security for the entire population?
- How does KFOR interact with other organizations operating in Kosovo? This is especially important as there is likely to be a gradual increase in the EU presence in Kosovo and a decrease in the UN presence.

III. FYR OF MACEDONIA

25. The FYR of Macedonia has managed to avoid plunging into civil war like so many of its neighbours, although tensions between ethnic Albanians and Serbians have run high in the past and threatened the stability of the country. Both NATO and EU forces have played a stabilizing role there, but now the EU military mission has been reconfigured as a policing mission.

26. This relative calm was nearly shattered in 2001 when ethnic tensions reached a new crisis point. The Ohrid Framework Agreement signed by Macedonian and Albanian leaders spelled out an agreement that addressed many of the grievances of the Albanian minority such as official acceptance of the Albanian language, an increase in the proportion of Albanians in government jobs and the police force, and a decentralization of government. The decentralization legislation

was critical as it gives greater control to the local authorities over such issues as education and local policing.

27. This agreement was in danger of being derailed by a referendum brought by opponents to the Ohrid framework. However the referendum failed when it was voted on in 2004 because turnout did not reach the necessary 50% of registered voters. This may have been partially the result of a sustained campaign by US and European governments that warned of the consequences to the FYR of Macedonia's progress toward entering the EU and NATO if the referendum should pass and unravel the basis of the FYR of Macedonia's political stability.

28. The FYR of Macedonia emphasizes its clear commitment to become a NATO member. It joined the Partnership for Peace (PfP) in 1995, and has participated in the Membership Action Plan since 1991. The FYR of Macedonia is part of the Adriatic Charter along with Croatia and Albania, the two other aspirants to NATO membership in the region. 2005 is viewed as critical for the FYR of Macedonia's Euro-Atlantic aspirations. The FYR of Macedonia is hoping to be granted EU candidate status in 2006, and be formally invited to join NATO the following year.

29. The FYR of Macedonia is undertaking a wide-ranging reform of its military to make itself a viable NATO member. Those reforms are cited by government figures as one of the country's top priorities and will be necessary if it hopes to become a contributing member of the Alliance. The broad strategic goal is to build a light, mobile and professional army in accordance with NATO standards that is capable of territorial defence and contributing to international missions. In December 2004 president Branko Crvenkovski signed the decree on the strategic development and transformation of the Army of the Republic of Macedonia (ARM), and 2005 will be a key year for the transformation of the army. The reform plan includes modernization of equipment and weapons, dismantlement of outdated systems, passage of a crisis management law, implementation of a plan for adequate and just representation of ethnic communities, professionalisation of the ARM, and the enactment of an integrated border security strategy.

30. The FYR of Macedonia plans to have a professional army by the end of 2007. In accordance with the plan for professionalisation, the military has been reduced from 20,000 to 8,500 troops. With the smaller force, the government hopes to be able to build an army of well-trained, highly professional soldiers that represent all ethnic communities in the country. Following the Ohrid Framework Agreement, the number of ethnic Albanians in the ARM should be proportional to their overall number in the FYR of Macedonia. The defence ministry has prepared an action plan for an adequate representation of ethnic communities in the ARM, which will be implemented by 2013.

31. The FYR of Macedonia is participating in international missions and has dedicated 210 soldiers for peacekeeping mission in 2005. The government plans to increase this number to 410 in 2007. The ARM is currently contributing 19 ARM soldiers to ISAF in Afghanistan and 50 troops to coalition operations in Iraq.

32. Reform of the armed forces is not the only criteria for obtaining NATO membership. Other more political factors are important as well. In particular, the FYR of Macedonia must focus on promoting judicial reform and fully implement the 2001 Ohrid peace agreement. The FYR of Macedonia needs to show that it possesses both stable institutions and a sound legal system.

33. Reform of the judiciary system is important. Reports of international organizations have found corruption in the courts and inadequate judicial independence from legislative and executive authorities. The FYR of Macedonia is working on a reform package that should bring- at least in theory- the national legal code up to European legal standards by the end of 2005.

34. The FYR of Macedonia is making progress toward eventual membership in Euro-Atlantic institutions and it is encouraging to see that the ethnic conflict that has plagued the Balkans is

relatively controlled in the FYR of Macedonia. But it will take continued engagement by the international community including NATO to ensure that the FYR of Macedonia remains on track. The Sub-Committee will visit the FYR of Macedonia in 2005 to gain a better understanding of developments there. In particular, we will consider the ongoing military and political reform process, the interaction between NATO and other international organizations present in the country, and the possible future role of NATO in contributing to the continued stability of the FYR of Macedonia.

IV. SERBIA AND MONTENEGRO

35. Serbia and Montenegro are very much at the centre of any resolution of the current situation in Kosovo and critical to the stability of the region. Reform of Serbia's government, military and economy will all be important to ensuring a lasting settlement of the ongoing security situation in the Balkans.

36. The main incentive that NATO and the EU can offer to Serbia to continue on its hesitant reform process is the prospect of closer association with both organizations. The main stumbling block, however, continues to be the issue of co-operation with the International Criminal Tribunal for the former Yugoslavia (ICTY). Several key individuals have surrendered to the tribunal but full co-operation is needed before Serbia and Montenegro can be considered for closer association with NATO and the EU.

37. As much as some in the government would like to eliminate this stumbling block, the simple fact is that the government is in a weak position. The current administration of Vojislav Kustinica relies on the support of ex-President Slobodan Milosevic's Socialist Party members to keep its majority in the parliament. Given that some of that parties key players including Milosevic himself are either before the ICTY or under indictment for war crimes, it is not surprising that the reliance of the current government on the Socialists makes it impossible for it to take strong action to comply with the demands of the ICTY. President Kostunica has attempted to persuade wanted individuals to turn themselves in to the ICTY, but he is unable and unwilling at this time to actually order the arrest of war crimes suspects.

38. Reforming the Serbian military in a manner consistent with NATO standards is a significant part of Serbia's political development. Five years after the downfall of Milosevic's regime and six years after its armed forces were engaged in an armed conflict with NATO, Serbia is an aspiring member of the NATO Partnership for Peace Program. Milosevic's supporters are reportedly still in positions of authority in the military and intelligence services, so reform of the security sector would be an important political signal that Serbia is truly moving forward from its troubled recent past.

39. The Army of Serbia and Montenegro (SEM) is undergoing a serious process of transformation. The most important tasks are profesionalisation of the army, establishing full civilian control over the army and its security structures, introducing a career development plan, overcoming social problems that could arise as a result of employment cuts in the military, defining the role of Serbia and Montenegro in regional security, developing training programmes, and providing funds for participation in peacekeeping missions.

40. Serbia and Montenegro also needs to cut its armed forces from current 65,300 to about 20,000. As part of the move toward a fully professional military, Serbia and Montenegro have cut the period of obligatory military service from 12 to 9 months. Moreover, in the light of the transformation of the Serbian Army, several senior officers, including the Chief of Staff Branko Krga retired at the end of 2004. The new chief of staff of the Army of Serbia and Montenegro, Dragan Paškaš, announced that the strategy of the Army of Serbia and Montenegro during his

term will be to join the PfP. Several other important retirements are due to happen until the end of this year.

41. Important steps are being taken to implement full civilian control of the military. First, an independent civilian commission was established to investigate the deaths of several recruits. The conclusions of the civilian commissions completely contradicted the official inquiry of the military prosecuting office. Furthermore, on 14 February 2005 the military judicial system was abolished and its authority transferred to the civilian judicial system. As of that date, over 1,500 cases pending before the military judicial system were transferred to civilian courts.

42. In December 2004, Serbia and Montenegro enacted a law defining Serbian and Montenegrin participation in international peacekeeping missions. Serbian troops are already part of the UN peace contingent in DR Congo (MONUC-6 observers), Cote D'Ivoire (UNOCI-3 observers), Liberia (UNMIL-6 observers), and the government is considering participation in missions in Haiti and Afghanistan. In order to expand their role in international peacekeeping the Army of Serbia and Montenegro needs to develop training courses in international peacekeeping, and to establish closer links with NATO, none of which is possible without full co-operation with the ICTY.

V. CONCLUSION

43. This draft report sets the stage for the Sub-Committee's work in 2005. Our research in Kosovo, the FYR of Macedonia, Serbia and Montenegro will hopefully shed additional light on the complex and interrelated problems of the region. Most significantly, we will consider in each of those visits what the role of NATO can and should be to ensure peace and stability in the Balkan region. Clearly the most difficult and potentially explosive region is Kosovo, but the other pieces of the puzzle are also important.

44. The path forward will be uncertain, but what is certain is that the region is quite literally central to our common future security. We have little choice but to set Balkan area on the road to stability and relative prosperity or we will continue to feel increasing effects in the rest of Europe. The Balkans are already a home to organized crime that impacts our societies through drug smuggling and other debilitating activities. But we risk the danger of the region also becoming more of a transit point and marshalling station for terrorist organizations seeking a "back door" into the rest of Europe. How we choose to deal with the region now will affect our security in the coming years.
