

Executive Summary

Serbia and Kosovo finalized the EU-brokered deal aimed at normalizing the scenario in Northern Kosovo, the biggest source of tensions between the two countries. Serbia and Kosovo's Prime Ministers, Ivica Dacic and Hashim Thaci respectively, signed the agreement in Brussels on 19 April. Negotiations, launched by Catherine Ashton, the High Representative of the EU for Foreign Affairs and Security Policy, started last autumn.

The deal is one of the top news of the Balkans' recent history. It paves the way to less turbulent bilateral relations and gives both countries a huge chance to enhance the dialogue with the EU. Serbia, in particular, can now open accession negotiations with the EU. A decision will come in June, at the EU Council.

The Serbia-Kosovo deal, although its historic value, should not divert attention from what happened elsewhere in the region. In Montenegro, presidential elections were very tense. The pro-Government candidate Filip Vujanovic slightly defeated Miodrag Lekic, head of the biggest opposition party. Macedonians voted, too. The second run of administrative elections confirmed the grip on power of the ruling party, the Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE), the political force chaired by the Prime Minister Nikola Gruevski.

As for Bosnia and Herzegovina, April was a hot month. Zivko Budimir, the President of the Muslim-Croat federation, one of the two ethnic entities of the country, was arrested over accusations of corruption. This could affect the stability – already precarious – of the entity. On the national level, the chronic lack of reforms was clearly highlighted by Catherine Ashton and Stefan Fuele, the European Commissioner for Enlargement. Both visited Sarajevo in April and blamed local politicians, saying that they must put aside rivalries, which prevents the country to speed up the process of European integration.

Situation Report

Serbia and Kosovo

Under the deal signed with Kosovo in Brussels on 19 April, Serbia obtains a very large administrative autonomy for his fellow compatriots living in Northern Kosovo, who are the ethnic

majority in those territories despite they represent only 5% of national population. In exchange, it partly dismantles its police and justice in Northern Kosovo. Alongside schools and public administration, they are part of the so called “parallel institutions”, through which Belgrade has firmly continued to keep control over this strip of land since the end of the war in 1999.

Serbia’s police and tribunal in Northern Kosovo will merge with Kosovo’s ones. To a certain extent, this allows Prishtina to expand its sovereignty in the North, although informally (Serbia does not recognize Kosovo’s independence). Before the deal, the presence of Serbia’s strong parallel institutions prevented Kosovo’s Government to have a say on this portion of its territory.

Bosnia

«The country needs to implement the “Sejdic-Finci” judgment¹ if it wants to be in a position to then submit a credible membership application to be considered by the EU. Until these conditions are fulfilled, it will not be possible to consider further steps for Bosnia and Herzegovina on its EU path». These are the final words of the press statement that the European Commissioner for Enlargement, Stefan Fuele, issued after he visited Sarajevo on 11 April. Fuele expressed his disappointment for Bosnia’s political scenario. He blamed the parties by saying that they did not do anything to implement the Sejdic-Finci judgment and continued focusing on ethnic and national issues, keeping the European horizon far away.

Also Catherine Ashton, who went to Bosnia few days after Fuele’s visit, insisted on these issues, remarking that Bosnia lags behind the other former Yugoslav republics due to the inability of its political élites to carry out reforms.

Montenegro

As expected, Filip Vujanovic won presidential elections on 7 April. He ran for a third term. However his victory was slighter than predicted by pollsters. He obtained 51,2% of votes, while Miodrag Lekic, the opposition candidate and leader of the recently created Democratic Front (DF), got 48,8%. Lekic questioned the outcome, stating that many frauds occurred. He said that he and his

¹ The Sejdic-Finci judgment was issued by the European Court of Human Rights (ECHR) in 2009, after two Bosnian citizens, Dervo Sejdic and Jakub Finci, the first a Roma, the latter a Jew, contested the fact that the Bosnian Constitution provides that only the members of the so called three constituent peoples of the country (Muslims, Serbs and Croats) can run for State Presidency and the Parliament. The ECHR stated that Bosnia’s Constitution discriminates people other than Muslims, Serbs and Croats. Two years after, under European pressures, the Bosnian Parliament voted a motion aimed at reforming the Constitution. However, no changes have been formally approved so far.

supporters are ready to take streets until the truth will be established. However the Constitutional Court confirmed Vujanovic's victory.

Yet, the Court's verdict will not put an end to Montenegro's tense political situation, which began in spring 2012, when mass protests against corruption in the highest spheres of the administration were organized by MANS, a very active NGO. Vujanovic's political group, the Democratic Party of Socialists (DPS), in power since more than 20 years, has been weakened by this season of protests. Some analysts foresee that Milo Djukanovic, who was appointed Prime Minister once again after parliamentary elections in October 2012, will call early elections and play the European card to secure another term. Montenegro opened accession talks with the EU in December 2012. Catherine Ashton praised the country for its commitment to reforms during a visit to Podgorica on 16 April.

Macedonia

The Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE), the conservative political force headed by the Prime Minister Nikola Gruevski, won local elections. The run-off held in some municipalities confirmed more or less the outcome of the first round. The result scored by the Social-democrats (SDSM), the main opposition party, which threatened to boycott the vote as consequence of a harsh political stand-off erupted some months ago (the EU positively mediated to find a truce), was quite frustrating. According to media reports the leadership of Branko Crvenkovski might be challenged in June, when the SDSM will hold its congress.

June will be decisive also for Macedonia's European aspirations. On that month, the EU Council will decide whether to open accession negotiations with the county, a candidate member since 2005. Recently, the European Commission – once again – positively assessed Macedonia's progresses in terms of reforms and convergence with European rules. Yet, everything depends on the long time name dispute with Greece². Ahead of the EU Council in June, The UN mediator Matthew Nimitz gave the two countries a new list of proposals. Media speculated that Republic of Upper Macedonia and Upper Republic of Macedonia are the formulas that Nimitz forwarded.

² Athens does think that the Balkan county can't name itself Macedonia, because this will automatically lead to territorial claims over Greece's homonymous northern region. Because of the standoff over the name, Greece has vetoed Skopje's accession to both NATO and the EU so far.

Trends

Although the EU-brokered deal does not definitively solve the political, cultural and diplomatic controversy between Serbia and Kosovo, it is a potential big step forward and opens a window of opportunity for both countries.

Serbia, already a candidate member of the EU, might soon get a date for launching accession talks. It is likely that the EU Council will issue a positive assessment in June. As for Kosovo, it might sign the Stabilization and Association Agreement (SAA) with Brussels in the coming months. The SAA is the first step on the path to Europe. It mainly regards commercial relations and the rule of law. Kosovo might also benefit from visa liberalization.

However, any positive outcome in terms of European integration is linked to the implementation of the deal. Serbia and Kosovo will try to draw a road map in May to put the agreement into force effectively. Although both Pristina and Belgrade have to deal with internal opposition, it is unlikely that they will make this window of opportunity vanish. After all, they have not alternatives other than Europe (Russia is far away and Turkey's influence is pallid compared to the European potential).

The deal will contribute to appease a bit the Serbia-Kosovo question and shift the EU's attention to Bosnia, which is becoming Brussels' biggest source of worries in terms of enlargement policies. As a matter of fact the country has been experiencing a severe stalemate since general elections in 2006. The path to reforms is dead. Moreover, all the European attempts to use the "soft power" in order to bring back the county on the right track have not been successful so far. Ethnic parties refuse each compromise. They look at their own interests. Controlling the territories where their fellow compatriots are the majority is their main purpose. Nobody thinks of the future of the country as a whole.

Moreover national economy is stagnant and the unemployment rate is very high, as well as the public debt, which has grown fast since the beginning of the global crisis. Recently the IMF imposed Bosnia to cut pensions for war veterans to keep it under the alert level. Meanwhile in Mostar, a Muslim-Croat divided town, ethnic parties are fighting over budget. It is still unapproved and this is posing a big threat to basic services for citizens.

Is Bosnia lost? The real situation on the ground – political polarization, economic weaknesses and the unbearable institutional schemes rooted in Dayton – would suggest that looking for an exit strategy is a very hard task. Yet there are some hopes. On the one hand, the EU seems ready to raise

its commitment. The EU's soft power might become a bit harder, although Brussels can't make too many pressures, otherwise it will act as a colonial power. On the other hand, regional cooperation could play a major role. In particular, the dialogue between Croatia and Serbia, which despite some unavoidable downs is moving forward, stimulated by the European perspective, can help Bosnia's peoples to mend ties and work together for a more acceptable future.

The European perspective speeds up the Serbian-Croat dialogue, but also induce Serbia and Croatia's individual sense of responsibility. In respect to this, worth noting that Serbia's President Tomislav Nikolic admitted on 25 April that Srebrenica killings in 1995 is a crime (also his predecessor Boris Tadic used this word instead of genocide) against human kind committed by the Serbs. Previously, he had always denied Serbia's responsibility for the executions of 8000 Muslims in the small village in Eastern Bosnia.