

Resolving Remaining Disputes in the Region

Three decades after the wars in former Yugoslavia, the Western Balkans still suffers from disputes that endanger stability, hamper economic progress, and undermine regional cooperation. Two issues are particularly challenging: the internal disagreements in he and Herzegovina and Kosovo-Serbia relations. The perseverance of these disputes undercuts other processes, especially the region's EU integration. However, the existence of the disputes is also exacerbated by the often blurred EU perspective of the region.

To address these issues, the Council for Inclusive Governance (CIG), in cooperation with the Federal Foreign Office of Germany (AA), organized on September 29, 2023, in Budva, Montenegro, another roundtable for the high officials of the main political parties from the Western Balkans. The roundtable is part of a larger initiative on strengthening the region in the face of new geopolitical challenges conducted by CIG and supported by AA. The event discussed the internal challenges in Bosnia and Herzegovina and the Serbia-Kosovo dispute and how the region could help overcome these challenges. The discussions were held under the Chatham House Rule. This report has been drafted by CIG Senior Associate Igor Novaković and does not necessarily represent the views of individual participants, CIG, or AA. It reflects the discussion as a whole, and CIG is solely responsible for its content.

Conclusions/recommendations

During the discussion, the participants identified key obstacles and developed a set of suggestions both for the Western Balkans and for the EU. They are not based on broad agreement, not on consensus, and reflect the most important elements of debates.

Key obstacles for Western Balkans

1. *Though there is consensus in WB on EU membership, some countries confront major internal political and ethnic divisions.* Leaders in BiH have disagreements over the way to move forward. Serbs in Kosovo's north (over 3,000 resigned, including police officers and judges) disintegrated last year, and reintegration faces serious challenges. North Macedonia and Montenegro are two examples of successful resolution of ethnic conflicts. Albania has no major ethnic issues, but major political divisions and slow reforms hamper the country's development.
2. *Western Balkans' capacity and determination for progress weak.* Leaderships remain engaged more in managing day-to-day problems and crises than in focusing on long-term policies and development. Many of the problems also still require international attention.
3. *Fear of compromise holding the region back.* Solutions for most of the outstanding disputes require compromises which the region is not very fond of. North Macedonia is a success example of how compromises—ethnic or national, Ohrid Agreement and changing the name

of the country—are not as bad as they may look at the outset. To the contrary, they are good for the country. The name change got North Macedonia into NATO (resolving its security issue once and for all) and opened the path to EU membership. The Ohrid Agreement offered a political and ethnic balance that satisfied both the Macedonian majority and Albanian minority communities. Many had feared the Ohrid Agreement may tear the country apart but it instead made the country much more functional. In Kosovo, Albanians fear the Association/Community for the Serb-Majority municipalities would make Kosovo unfunctional, while Serbs fear integration without more guarantees is equal to subordination. Finding a balance that satisfies both sides seems challenging.

4. *The dispute between Kosovo and Serbia could further escalate.* The potential for the Kosovo-Serbia dispute to become an active conflict (once thought unthinkable) with repercussions for the entire region is increasing. The parties are not yet taking steps to deescalate and return to the dialogue.
5. *Legacy of the past remains stubborn in the region.* The rhetoric in the region is feeding this legacy rather than contributing to overcome it. After retreating a few years after the wars, the nationalist rhetoric is again on the rise.
6. *Actions of some EU member states are not helpful either.* There is a tendency by some EU member states to bring their bilateral disputes into the processes of the EU integration of the Western Balkans (Bulgaria and North Macedonia). This practice should be addressed by the EU soon as it makes the “merit-based approach” for membership less credible.
7. *Western Balkans’ political instability and economic weakness makes it unappealing to the EU.* The region’s capacities to address its own problems are weak. It constantly needs EU/US attention, a burden for these actors especially at a time when their hands are full in other regions of the world. The EU expects from the region to build capacities to resolve some of its problems its own. The EU supports the region’s EU integration but is not likely to offer unconditional membership just for geostrategic reasons.

Bosnia and Herzegovina issues

1. The country’s track record is not very good. The country has made some progress in adopting some of the 14 priorities, relations at central level a bit better, but is still lagging on fundamental reforms. Some of the leaders also say the EU doesn’t want them in the union, shifting the blame on the EU instead.
2. Pace of reform in the country is accelerating somewhat but not on key reforms. The major challenge is the sequencing of reforms, among them the most important political issues such as the reform of the Constitutional Court and the reform of elections for the country’s Presidency.
3. A number of local and international actors believe there is regress in the Republika Srpska entity. They also are skeptical regarding the position of the ruling elite in this entity vis-à-vis Russia.

Kosovo-Serbia disputes

1. Kosovo and Serbia have been having trouble to implement the agreements, blaming each other for the lack of success. Kosovo also believes the EU facilitator is siding with the Serbian side. EU and the US deny Kosovo’s allegations.
2. The path to normalization still exists but is narrowing fast. Nevertheless, the Ohrid framework and Brussels agreements could still guide the parties to successful normalization.

3. Association/Community a key thorny issue. Both parties agreed to form it but disagree over the implementation—the usual story—with Serbia insisting the Association/Community comes first while Kosovo says it should come at the end of the process. There are also disagreements over the institution's competencies.
4. A speaker said some Serbs believe armed resistance is the way to reach their objectives. Some fear the recent event in the north where one police officer and three attackers were killed could be repeated and escalate into a wider conflict. The US and EU are aware of the risks and consequently are planning to increasing KFOR troops there. Some said the escalation in the north is a symptom of the problem which, if left unaddressed, could become the core of the problem. The focus could shift from normalization to de-escalation and this is bad for both Kosovo and Serbia.

Suggestions for Western Balkans and the EU

1. *Establish an effective and dynamic 'something for something' process between EU and the region's countries.* When a country in the region implements the required reforms, the EU should reciprocate quickly by holding its side of the bargain. Some said EU dragged its feet to reciprocate after North Macedonia made some painful compromises. There is some doubt/suspicion between the EU and the region about each other's capacities and intentions. Some in the region are skeptical the EU wants them in the union while the EU is unconvinced the region is doing all it can to prepare for membership.
2. *Implement reforms both for internal benefits and EU membership.* EU membership in itself doesn't mean much if the countries are poor economically and divided politically. The region's countries should not slow down the reforms even when/if they feel the EU is not rewarding their work. 'Reforms first, membership second, or steps in parallel' is the most effective, and perhaps the only path. One key condition for EU membership is also reconciliation within and between countries. The region's parliaments should also ratify the four Berlin process agreements quickly (so far only Bosnia and Herzegovina has not ratified them, largely because Republika Srpska representatives have blocked ratification) and not use these issues for the internal or bilateral squabbles.
3. *Build momentum for 2030.* EU believes the region could become ready for membership by 2030. The region should prove the EU's projection correct by adopting and implementing key reforms fast. The region could become a co-driver of the process, not always wait for the EU to take the initiative. As long as the reforms are at a slow pace, the EU won't likely offer much.
4. *The EU membership should primarily stay merit-based.* Though the EU should take into account geostrategic interests, its invitations for membership should be merit-based. There should be no free-riders. Frontrunners get rewarded in kind. Laggards are encouraged and supported, but do not get benefits until they meet at least the basic criteria.

Suggestions Kosovo and Serbia

1. *Kosovo and Serbia should agree to hold local elections in the four municipalities in the north.* There are disagreements over the model of elections: Kosovo insists on a recall process (where Serbs collect 25 percent of voter signatures and hold an election to unseat the mayors followed by an election to elect new mayors), while Serbia and the international community prefer the resignation of Albanian mayors instead. It is not clear whether the Serbs in the north would agree to take part in Kosovo elections after the recent events in which three Serbs from the

north were killed, though the Serb List, Kosovo's Serbs major party, and Serbian President Vucic have recently said the Serbs should take part in an eventual election.

2. *Kosovo should draft the statute of the Association/Community.* There are disagreements between Kosovo and Serbia over sequencing/competencies. The international community calls for its formation but so far no major steps have been taken. Kosovo's president supported its formation recently, but it is not clear if the prime minister is on the same side.
3. *Serbia's and Kosovo's leaders need to moderate their rhetoric.* The rhetoric has been deteriorating in the past year. The behavior of leaders has also become more aggressive. For the first time since 2010 when the dialogue began, the chief negotiators and the leaders don't even shake hands or say hello to each other.

Expanded discussions

Regarding the internal issues in Bosnia and Herzegovina, most of the participants from Bosnia agreed that the ruling coalition at the state level has indeed made a breakthrough with the adoption of the four pro-EU reform laws at the end of the summer (addressing some of the 14 priorities proposed by the EU). It seems there is a will among the major partners in the ruling coalition to "do whatever is necessary," as one of the participants has stressed, to open the negotiations with the EU by the end of the year. Participants agreed that significant parties in the government that were primarily elected by Bosnjak voters have taken a political risk and tried to reach out to their partners elected by ethnic Serb and Croat voters. And while the political risk of losing popularity remains, the coalition partners' answer was good and constructive, resulting in the abovementioned reforms.

However, there is a sequencing problem with how to proceed with reforms. The ruling party in Republika Srpska, SNSD, insists on the reform of the Constitutional Court (i.e., the Court without foreign judges), which is in direct connection with the ongoing dispute of SNSD leader Milorad Dodik with the High Representative Hans Christian Friedrich Schmidt over the issue of property in Bosnia. The major Croatian party, HDZ, insists on the reform of the voting process for the Presidency. Some of the three Bosnjak parties are not convinced that the ruling coalition should proceed with these priorities first - as some explained, "the presence of foreign judges at this moment also represents a safeguard against the secession of Republika Srpska." Sequencing now threatens to be a significant issue that could endanger the pro-EU reforms, but some were optimistic that there is enough will to bridge the differences and proceed with the reforms.

Some others said that the EU candidate status was a "gift to Bosnia due to geopolitical concerns" and pointed out that there were some steps forward on the EU path before 2018, but then the ruling coalition entered a stalemate.

As for Kosovo, the debate mostly centered around the recent armed clashes in the Kosovo north, near the village and monastery of Banjska. While most Kosovo participants have accused Serbia of being the inspiration and direct supporter of the armed group, Serbian participants mostly declined it by stressing that it was not in Serbia's interest to have something like that. Regarding the way forward, a participant proposed three principles: 1) an independent international investigation; 2) to put more emphasis on ordinary people and allow them to live everyday lives;

and 3) *pacta sunt servanda*, meaning that all of the reached agreements should be implemented, including the 2013 Brussels Agreement and the 2023 Brussels and Ohrid Agreements.

Others proposed toning down the rhetoric and concrete steps towards the de-escalation. Kosovo participants were mostly adamant that there was proof that Belgrade was involved and expressed doubts about continuing the dialogue after the events. Some said this was just a continuation of the previous policies when Serbia did not protest against verbal and violent actions against local Serbs willing to cooperate with Pristina. “Serbia does not want Serbs to integrate in Kosovo” but also “Serbia does not want to see Kosovo in the EU.”

Some from both Serbia and Kosovo have stressed a need for the second track diplomacy and more engagement by the US and the EU in that regard.

The other participants from other states have used the opportunity to advise on these problems, mainly from North Macedonia. They have emphasized that to reach specific goals, the approach must be based on a “compromise as a state of mind.” Over the years, as one participant pointed out, the compromises included a change of the flag, constitution, and, finally, the state’s name. And more compromises are expected to come, suggesting that something has to be done with the political culture in the country (countries) “because either that or the problems will kill everything.” Regarding the EU accession, it is now clear that there are three main principles: 1) conflict resolution: no country will be allowed to bring the dispute (internal or external) into the EU; 2) geopolitical: countries must be aligned with the EU foreign policy; and 3) fundamentals first: there will be no enlargement if no progress is related to the rule of law and democratization.

Participants

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