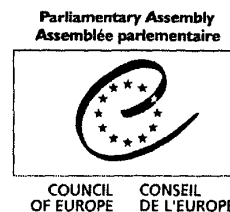


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Recent political developments in “the former Yugoslav Republic of Macedonia” in the context of regional stability

Report
Political Affairs Committee
Rapporteur: Mr Gerardo Bianco, Italy, Group of the European People's Party

Summary

In 2001, an escalation of extremist violence from within the two largest ethnic communities of the country, Macedonian and Albanian, nearly brought “the former Yugoslav Republic of Macedonia” to the brink of a civil war. Four years later, Macedonia¹ has successfully overcome the crisis of 2001 and is in the process of finalising a legislative framework capable of ensuring internal stability.

To be lasting, however, these achievements need consolidating: Macedonia should make further efforts to address some of the shortcomings of its democratic system. Furthermore, the wide-ranging reforms which have been introduced over this period need to be assessed against their practical implementation, sustainability and acceptance by the population.

As a young democracy in an unsettled region, Macedonia has important challenges ahead. The Council of Europe should support Macedonia in overcoming these challenges, many of which pertain to its traditional areas of expertise, such as democracy, pluralism, the rule of law, protection of national minorities and social cohesion. In the field of external relations, Macedonia should continue pursuing the objective of closer integration in the European and international community and address outstanding issues with its neighbours, including the dispute with Greece over the name issue and the final demarcation of the border with Serbia and Montenegro (Kosovo).

¹ The use in the text of the term ‘Macedonia’ is for descriptive purposes and the convenience of the reader and does not prejudice the position of the Assembly on the question of the name of the state and does not reflect the position of the Council of Europe.

I. Draft resolution

1. In 2001, "the former Yugoslav Republic of Macedonia" was the theatre of an escalation of violence between the two largest ethnic communities of the country, Macedonian and Albanian. The Ohrid Framework Agreement (August 2001), signed by the main political parties, the European Union and the United States, put an end to hostilities and paved the way for wide-ranging reforms.
2. Over these four years, peace has been preserved in the country, despite fears which arose from the outbreak of violence in Kosovo of March 2004. Similarly, Macedonia¹ has made remarkable progress in the adoption of the reforms required by the Ohrid Agreement, despite the accidental death of one of its main political supporters, the late President Boris Trajkovski, and the holding of a referendum on the reform of the system of local self-government which could have delayed the implementation process.
3. Likewise, its efforts towards closer and more integrated relations with the Euro-Atlantic community have led Macedonia on the one hand to become a member of NATO's Membership Action Plan (MAP) and on the other hand, to conclude a Stabilisation and Association Agreement with the European Union (2001) and apply for EU membership (2004).
4. The Parliamentary Assembly acknowledges that Macedonia has successfully overcome the crisis of 2001 and that it is in the process of finalising a legislative framework capable of ensuring internal stability. This is an important achievement for Macedonia and its citizens but also for the region of the western Balkans as a whole which will have to face daunting challenges in the next months such as the beginning of negotiations over the final status of Kosovo.
5. To be lasting, however, this achievement needs consolidating: the recent local elections in 2005 highlighted that Macedonia should make a further effort to address some shortcomings of its democratic system. Furthermore, the wide-ranging reforms introduced over the last four years need to be assessed against their practical implementation, sustainability and acceptance by the population.
6. While recognising the substantial progress made in this field, the Assembly believes that, domestically, Macedonia should strengthen good governance and democratic institutions and reinforce the trust of citizens in the political system. In addition, as regards the protection of minorities and inter-ethnic relations, Macedonia ought to endeavour to overcome a segmentation of society along ethnic lines and avoid the marginalisation of smaller ethnic communities.
7. In the field of external relations, the Assembly encourages Macedonia to continue pursuing the objective of closer integration in the European and international community and address outstanding issues with its neighbours, including the dispute with Greece over the name issue and the final demarcation of the border with Serbia and Montenegro (Kosovo).
8. The Assembly is concerned at the potentially destabilising effects of several inter-linked elements, occurring in Macedonia as well as in other parts of the western Balkans, such as the virulence of organised and transnational criminality, weak law enforcement capacity and the stagnant economic situation with high unemployment and widespread poverty. As indicated by recent events in Kosovo, criminality can also assume political connotations which increases the risk of domestic and regional destabilisation.
9. In light of these considerations, the Assembly calls on the Macedonian authorities to:
 - i. make further efforts to consolidate good governance and democratic institutions and in particular:
 - a. ensure that the electoral process complies with Council of Europe standards of freedom and fairness throughout its territory and in this context prevent, sanction and redress irregularities by:
 - A. organising pre-electoral information campaigns targeting areas where irregularities have been recurrent in recent elections, with the involvement of all political forces;

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- B. providing appropriate training to polling station staff, in co-operation with relevant international agencies including the Council of Europe and the OSCE;
 - C. guaranteeing the independence of the Electoral Commission; and
 - D. investigating cases of irregularities or malpractices, wherever they occur, and avoiding impunity of those involved;
- b. finalise its reform of the judiciary with a view to guaranteeing its efficiency and independence and intensify its co-operation with the Council of Europe in this field;
- c. endeavour to improve the trust of citizens in the political system and state institutions and in this context:
- A. develop projects and policies to foster civic and democratic education, with a view to promoting the engagement of citizens in the public sphere irrespective of their background;
 - B. promote the introduction of guidelines for the internal democratisation of political parties and encourage the development of a multi-ethnic composition and leadership; and
 - C. continue its fight against corruption by refining its anti-corruption strategy, pursuing its co-operation with the Group of States against Corruption (GRECO) and complying with GRECO recommendations to establish guidelines for members of the Sobranie containing criteria to be applied when deciding on requests for lifting immunities and to reduce the list of officials covered by immunity to a minimum;
- d. as to the system of local self-government:
- A. develop a detailed strategy for the effective implementation of the reform of the system of local self-government, in co-operation with the Council of Europe; and
 - B. organise activities to inform the population of the impact of the reform on their daily lives, its functioning and objectives;
- e. as to the protection of national minorities and inter-ethnic relations:
- A. devise policies aimed at fostering communication and interaction between individuals belonging to different ethnic groups, with a view to promoting multiculturalism and the cohesion of society;
 - B. support policies and measures to avoid the marginalisation of individuals belonging to smaller ethnic communities;
 - C. give attentive consideration to the recommendations recently put forward by the European Committee against Racism and Intolerance (ECRI) and the Advisory Committee of the Framework Convention for the Protection of National Minorities; and
 - D. ratify the European Charter for Regional and Minority Languages;
- ii. take appropriate and immediate measures to curb organised and transnational criminality;
- iii. continue the process of economic restructuring, with a view to reducing unemployment and attracting foreign investments;
- iv. pursue its efforts towards Euro-Atlantic integration and inform the public about this process through transparent information.
10. Furthermore, with a view to solving outstanding bilateral issues, the Assembly calls on Greece and Macedonia to intensify their bilateral diplomatic efforts to reach a solution over the name issue.

11. Similarly, the Assembly calls on Macedonia, Serbia and Montenegro, the Kosovo authorities as well as UNMIK to engage in negotiations to finalise the demarcation of the border between Macedonia and Serbia and Montenegro (Kosovo), prior to the beginning of talks over the final status of Kosovo;

12. Finally, the Assembly calls on the European Union to:

i. continue to support the restructuring of the Macedonian economy and provide advice on economic reform through its European Agency for Reconstruction;

ii. consider playing a greater role in facilitating a diplomatic solution between Greece and Macedonia over the name issue following the Conclusions of the General Affairs and External Relations Council of 25 April 2005.

II. Draft recommendation

1. Referring to its Resolution (2005) on recent political developments in "the former Yugoslav Republic of Macedonia" in the context of regional stability, the Parliamentary Assembly notes that a number of fields in which Macedonia¹ should endeavour to accomplish further improvements fall under the specific area of expertise of the Council of Europe.

2. Having in mind the key geopolitical position of Macedonia in securing lasting peace and stability in the region of the western Balkans, the importance of supporting Macedonia's efforts towards closer Euro-Atlantic integration and the Council of Europe's aim to achieve a greater unity between its members for the purpose of safeguarding and realising the ideals and principles which are their common heritage and facilitating their economic and social progress, the Assembly asks the Committee of Ministers to intensify its co-operation with Macedonia, if necessary by setting up country-specific programmes or activities, in particular as regards:

- i. free and fair elections;
- ii. efficiency and independence of the judiciary;
- iii. local self-government;
- iv. fight against corruption;
- v. financing political parties and their democratisation;
- vi. strengthening civil society and the promotion of democratic education;
- vii. multiculturalism, social cohesion, inter-ethnic relations and protection of minorities;
- viii. fight against organised and transnational criminality.

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III. Explanatory memorandum by Mr Bianco

1. Introduction

1. The last time the Political Affairs Committee reported on the situation in "the former Yugoslav Republic of Macedonia" was in 2001. In June that year, an escalation of extremist violence from within the two largest ethnic communities of the country, Macedonian and Albanian, raised fears that Macedonia¹, ten years after breaking away from the former Yugoslavia peacefully, was on the verge of a civil war. The Ohrid Agreement, signed in August 2001 by the leaders of the main political parties, the European Union and the United States, put an end to hostilities and paved the way for wide-ranging reforms having the aim of 'securing the future of Macedonia's democracy and permitting the development of closer and more integrated relations between the Republic of Macedonia and the Euro-Atlantic community'.

2. In four years, Macedonia has accomplished remarkable progress in the adoption of the reforms required by the Ohrid Agreement, with an impressive legislative and administrative effort, including the introduction of a number of amendments to the 1991 Constitution. As of April 2005, only two main pieces of legislation are still outstanding, concerning the use of minority languages and the use of national symbols.

3. At different moments over these years, the international community feared that the progress of Macedonia towards stability may be delayed as a result of domestic developments such as:

- the sudden death of President Boris Trajkovski in a plane crash (February 2004); and
- the referendum on the controversial reform of local self-government (November 2004).

4. In the field of external relations, Macedonia has faced challenges such as:

- a risk of spill-over of inter-ethnic violence from neighbouring Kosovo (March 2004); and
- the controversy with Greece over the use of the constitutional name 'Republic of Macedonia' in international relations.

2. Mandate and scope of the present report

5. As Rapporteur on the situation in "the former Yugoslav Republic of Macedonia", I conducted a fact-finding visit to Skopje on 23-25 March 2005. I met high ranking Macedonian officials, including the Prime Minister, the Minister of Foreign Affairs, the President of Parliament, the leaders of political forces, the chairs of relevant parliamentary Committees and the Ombudsman. I also met representatives of international institutions and ambassadors.

6. I sincerely thank the Macedonian Parliament and in particular the Chair of the Macedonian Parliamentary Delegation to the Council of Europe, Mrs Petrova-Mitevaska, for their exquisite hospitality. I also wish to thank His Excellency Giorgio Marini, Ambassador of Italy to Skopje, for his warm welcome and support.

7. The mandate for the present report is provided by Assembly Resolution 1261 (2001), adopted in September 2001, which asked the Political Affairs Committee 'to follow the political developments in Macedonia and report back to the Assembly when necessary'. For the sake of clarity, I wish to recall that, in parallel, Resolution 1261 (2001) asked the Monitoring Committee to intensify the post-monitoring dialogue with Macedonia, following the closure of the monitoring procedure in 2000. In the context of this dialogue, the Chair of the Monitoring Committee conducted two visits to Macedonia, in 2002 and then in November 2004, and drafted information reports which were discussed in that Committee. As you may know, the post-monitoring dialogue does not lead to the adoption of texts by the Monitoring Committee to be debated in the Assembly.

8. My visit to Skopje took place in a very delicate moment for the western Balkans: the week before my arrival Mr Ramush Haradinaj, Prime Minister of Kosovo, surrendered to the Criminal Tribunal for the former Yugoslavia to respond of war crimes and crimes against humanity; Kosovo President Ibrahim Rugova

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escaped an attempted assassination; in Macedonia, a first round of local elections – the first one following the reform of the system of local self-government and an important test of the maturity of the Macedonian political system – was strongly criticised by international observers, including the Council of Europe.

9. Bearing in mind the current situation in the region and the specific situation of Macedonia, domestically and internationally, I believe that the moment has come for the Political Affairs Committee to report back to the Assembly. The talks I had during my visit helped me identify the angle of my analysis, which will be: 'Recent political developments in "the former Yugoslav Republic of Macedonia" in the context of regional stability'.

10. Without anticipating my conclusions I wish to clarify my intentions since the outset of this report: Macedonia has made remarkable progress towards stability and this should be acknowledged. The months to come will see further potential challenges to the stability of the western Balkans, namely the starting of negotiations on Kosovo status and possibly discussions between Serbia and Montenegro over their federal arrangement. In this unsettled region good examples such as Macedonia should be encouraged to go ahead: the Balkans need stability, peace and democracy. Macedonia is working very hard to reach these objectives, and this cannot but have positive effects on the region as a whole.

3. Pressing issues of 2001: have they been solved?

11. During my visit I enquired about the relevance, at the present time, of the two fundamental pressing issues of 2001:

a) The security situation

12. In seven months of fighting from January to August 2001, 70 people died in Macedonia and 170,000 were displaced. After the conclusion of the Ohrid Agreement, an international military presence contributed to ensuring security in the country and was progressively reduced in response to the normalisation of the situation. At the moment, the only international military operation in Macedonia is PROXIMA, an EU Police mission which counts for around 200 staff and is engaged in monitoring, mentoring and advising the Macedonian police with a view to assisting in fighting organised crime and promoting European policing standards.

13. As to disarmament, two collection programmes have been implemented since the conclusion of the Ohrid Agreement, one undertaken by the NATO operation Essential Harvest (2001) and another by the Macedonian government (2003). These operations were praised by the international community for their efficiency.²

14. According to all my interlocutors, at present the security situation in Macedonia does not raise any concerns. Recent reports have mentioned the specific situation of Kondovo, an area which stretches from Skopje to the border with Kosovo, where uniformed and armed Albanian groups are active and which is considered out of bounds for Macedonian police. Most international actors qualify the problem as temporary. During the meeting with the Head of the OSCE Spillover Monitor Mission, I was assured that the importance of the security situation in Kondovo should not be exaggerated: it is a problem of common criminality which, if it is not managed with due caution by the Macedonian police, risks assuming political connotations given the ethnic composition of the area, which is mostly Albanian.

15. It is my opinion, however, that the problem of criminality, in particular when of an organised or transnational nature, should not be underestimated: trafficking in human beings, smuggling of drugs and illegal arms trade are criminal activities with serious human rights and security implications, not only for Macedonia but for the region as a whole, and even more so if they take place in the area bordering the volatile Kosovo province. Even if Macedonia has taken legislative measures to address these phenomena, their practical implementation is hindered by the operation of the following combined elements:

- weak preventive and law enforcement capacity, also due to inefficiency and corruption among police and the judiciary;
- weak capacity for border control.

² South Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons, Daily Media Review, 17 December 2003, www.seesac.org

16. The impact of these elements is amplified by their recurrence in neighbouring countries, such as Albania and Serbia and Montenegro, including Kosovo.

17. Since May 2004, Macedonian police has been progressively taking responsibility for border control, as a precondition for EU and NATO membership. While the borders with Bulgaria and Greece have already been completely taken over, policing on the border with Serbia and Montenegro (Kosovo) should be transferred by 1 May 2005, to be followed by the border with Albania in November this year³. The European Union, through the above-mentioned operation PROXIMA, and the OSCE are engaged in training activities on behalf of the Macedonian border police.

18. **In conclusion**, I believe that the problem of security, as it was in 2001, has been solved. The problem of criminality, however, should be addressed with resolve, also by relying on the cooperation instruments offered by international actors, including the Council of Europe. Besides, the situation in Kondovo should be addressed, as it leaves open the potential risk of future unrest, especially with the prospect of the beginning of talks on the final status of Kosovo. In this respect, Macedonian state and local institutions, as well as political parties, especially those having an important electoral basis in the Kondovo area, should openly and clearly condemn the actions of paramilitary/criminal elements.

b) Minorities' rights

19. The issue of the protection of minorities has been addressed through the implementation of reforms demanded by the Ohrid Agreement, namely:

- the Constitution has been amended to introduce the concept of civic participation and a more clear formulation of the principle of the equality of all citizens;
- in addition to Macedonian, Albanian has become an official language and can be used at local (in municipalities where it is spoken by more than 20 per cent of the population) and central levels;
- special parliamentary procedures requiring the majority vote of the representatives claiming to belong to ethnic minorities have been introduced in order to pass laws that directly affect culture, use of language, education, personal documentation and use of symbols;
- a number of legislative and policy measures have been introduced to increase the representation of ethnic minorities in the public administration, including the army and the police, and fight against discrimination in all sectors.

20. All my interlocutors, whether Macedonian or international, belonging to the ethnic majority or to minorities, to the ruling coalition or the opposition, gave the same replies to my questions concerning the current state of minorities' rights: *let the reforms work*. Nobody raised any doubt as to the suitability of the reforms, once fully implemented, to address all issues concerning minorities, including the situation of the ethnic Macedonian population in areas where they represent a minority.

21. Instead, my attention was drawn to the related issue of the internally displaced population (IDPs), where the government should intervene more decisively. IDPs in Macedonia currently number 1,424 people⁴.

22. I appreciate the trust of Macedonian political forces in the legal framework introduced for the protection of national minorities. I wish, however, to remind them of the delicate stage of the effective implementation of the reforms and their acceptance by the population. This is a challenge that will have to be addressed in the months and years to come, and Macedonian authorities should not drop their guard on such a delicate issue.

23. Besides, the protection of minorities' rights should be pursued in the wider context of multiculturalism and social cohesion. Macedonian society, instead, is segmented along ethnic lines: there is not much interaction between individuals belonging to different ethnic groups and even political parties are mainly based on ethnic affiliation. Overcoming this segmentation should be, in my opinion, an urgent priority for the Macedonian authorities, who could count on the assistance of the Council of Europe.

24. **In conclusion**, Macedonia has put in place a legal framework to address most of the grievances at the basis of the violence of 2001 and will soon complete the process of reforms. Now, it has to devote its efforts to the effective implementation of these reforms without underestimating possible difficulties that may arise, and should give itself the priority objective of establishing a cohesive and multicultural society.

³ International Crisis Group, Macedonia: Not out of the Woods Yet, 25 February 2005, page 8

⁴ Statistical source: Ministry of Labour and Social Policy, February 2005

4. Macedonia as a young democracy

25. During my visit to Skopje, I noticed that three features were common to all the Macedonian political interlocutors, whatever their role and orientation:

- a certain pragmatism: they accept that most reforms required by the Ohrid Agreement have been adopted; this process is well on its way but is not finished; moreover, the practical implementation of some reforms is still to take place;
- great enthusiasm for Euro-Atlantic integration;
- a concern that the stagnant economic situation of the country may pose a serious threat to internal stability.

26. Against this background I pondered carefully the words of Mr Ljupco Jordanovski, President of the Assembly, that *'Macedonia is a country like many others. Now the main concern of common people is no longer inter-ethnic relations but the economy'*. This is also the approach of the Macedonian political class: *not to look backwards but forward*. I believe, however, that to understand where to aim, Macedonia should first reflect on where it stands.

27. Some clarification to this end was provided by Mr Lawrence Butler, Ambassador of the United States of America to Skopje, who shared with me the following comment: *'Macedonia was a post-communist country, then a country in conflict and then again a country in a post-conflict situation. Now it has gone back to where it was: a post-communist country'*. This sentence, of course, should be considered in its context: in his personal evaluation of the situation in Macedonia, Ambassador Butler thought that security, human rights and inter-ethnic relations were no longer a major concern for Macedonia, as opposed to free and fair elections, the independence of the judiciary and the fairness and efficiency of judicial proceedings, the excess of force by the police and the citizens' lack of trust in the political system.

28. I have formed an opinion which is partly consistent with the views of both Mr Jordanovski and Mr Butler. Macedonia has overcome many problems of the past and is far from a situation where internal stability could be threatened by an explosion of inter-ethnic violence. It is, however, a young country, with young democratic institutions which need consolidating.

5. The challenges ahead

29. As a young democracy in an unsettled region, Macedonia has important challenges ahead. The Council of Europe should support Macedonia in overcoming these challenges, many of which pertain to its traditional areas of expertise, such as democracy, pluralism, the rule of law and social cohesion. In my opinion, the main challenges are:

a) Promoting democratic stability by:

- ***ensuring free and fair elections and preventing, sanctioning and redressing irregularities***

30. The local elections of March 2005 were an important test for Macedonia. The International Election Observation Mission, however, in its provisional assessment, observed that *'while well-conducted generally across most of the country, both rounds of municipal elections failed in some areas to meet key OSCE and Council of Europe standards for election. (...) Observers reported serious irregularities in a number of municipalities (...) including stolen ballot papers, ballot box stuffing, intimidation, group voting, proxy voting and identical signatures on voter list. The secrecy of the ballot was not respected in 17 per cent of the cases and at least 30 cases of ballot stuffing were reported'*.⁵

31. My visit to Skopje took place between the two rounds of local elections. At that stage all the representatives of political forces already agreed that irregularities in the holding of elections were a major concern. They highlighted that:

- irregularities tended to occur always in the same areas, which were also characterised by a majority Albanian population;
- irregularities always tended to be the same;

⁵ OSCE Press release, 28 March 2005.

- the permanent presence of international observers in the polling stations had been asked in order to prevent irregularities but had been refused.

32. Representatives of the opposition as well as of the DUI, the Albanian party belonging to the government coalition, added that:

- further to complaints by the Electoral Commission, electoral results in some areas had been quashed by the Supreme Court;
- this, however, far from redressing irregularities has created more: the Supreme Court quashed electoral results from areas where the vote had taken place in a regular manner and was not called to rule over effective irregularities.

33. These remarks are consistent with the assessment of the International Election Observation Mission that *'the authorities made some effort to address first round irregularities, changing some electoral boards where the conduct of voting had been problematic, and opening criminal investigations against persons who had been involved in electoral malfeasance. At the same time, the authorities did not act consistently to remedy cases of obvious malpractice and in many instances municipal election boards voted on complaints exclusively according to political party interests. The continuing lack of more decisive intervention by the relevant authorities against intimidation of voters and election board members has led to a culture of impunity in some municipalities, undermining confidence in the rule of law and the ability of election bodies to protect the legality of the process'*.⁶

34. I would like to underscore the statement of the International Election Observation Mission that elections were *well-conducted generally across most of the country*, and that irregularities were limited to some specific areas. Macedonia, however, should learn from this experience and endeavour to ensure free and fair elections as well as prevent sanctions and redress irregularities throughout its territory, focusing on the areas where irregularities have appeared to be more frequent. All the political forces should have responsibility for sensitising the electorate on these issues. I also wish to draw the Macedonian authorities' attention to the fact that primary responsibility for organising free and fair elections lies with them, and not with the international monitors.

- guaranteeing the efficiency and independence of the judiciary

35. An independent, effective, just and efficient judicial system is an indispensable element for the establishment of a truly democratic system in which the respect for the rule of law is ensured. Unfortunately, all the actors I met during my visit agreed that in Macedonia, for the time being, this is not the case.

36. A vast plan to reform of the judiciary, supported by several international actors, is currently under discussion. It should address the main weaknesses of the current system, namely:

- delays in judicial proceedings due to procedural provisions which can be easily abused; and
- lack of independence of judges.

37. The latter element is a matter of special concern. According to the applicable legislation, judges are elected to a permanent term of office, and dismissed, by the Assembly, upon a proposal by the Judicial Council. This recruitment system does not guarantee the independence of the judiciary from political influence, and cases of corruption are not uncommon. All the interlocutors I met highlighted that the reform should remedy this situation by excluding the election of judges from the competence of the Assembly: the Judicial Council, which will be composed primarily of judges, will be entrusted with recruitment.⁷

38. Another important novelty of the reform will be the introduction of training for candidates to the position of judge, which will last between 12 and 15 months and will be delivered by a School for judges. Similarly, a system of career promotion based on clearly defined objective criteria will be introduced.⁸

39. I cannot but hope that this vast reform plan can be finalised at the earliest opportunity. The lack of independency of the judiciary represents, at the moment, one of the greatest obstacles to the consolidation of democracy in Macedonia: the existence of a legal framework consistent with Council of Europe standards in the field of democracy and the rule of law is not sufficient if it is not accompanied by a fair, just and

⁶ *Ibidem*

⁷ Source: Answers to the Questionnaire for the preparation of the European Commission's Opinion on the application of the Republic of Macedonia for membership of the European Union, Chapter on Political criteria, page 131.

⁸ *Ibidem*

efficient system of law enforcement. In this respect, I also invite the Macedonian authorities to intensify their cooperation with the Council of Europe with regard to improving the independence and the operation of justice.

- improving good governance, including at local level

40. The reform of the system of local self-government, required by the Ohrid Agreement, has been adopted. It is based on two elements:

- a reduction in the number of municipalities from 123 to 84 (to be further decreased to 76 by 2008), by merging existing units; and
- an expansion of powers of municipalities, which will be able to take decisions in areas such as culture, primary and secondary education, health institutions, urban planning and local policing.

41. The most delicate aspect of this reform was the redrawing of municipality boundaries, as it would affect the ratio between the two main ethnic groups. In the case of Skopje, for instance, as a result of the addition of two mainly Albanian units, ethnic Albanians now represent over 20% of the population, which enables them to enjoy several minority rights including the right to communicate with local institutions in Albanian.

42. Such a delicate reform was not adopted without criticism. The opposition accused ruling coalition parties of conducting the negotiations only among themselves. In addition, an attempt was made to have the legislation on the reduction of the number of municipalities repealed by a referendum (November 2004) which, however, did not register the minimum turnout.

43. Now the newly elected mayors resulting from the two rounds of local elections of March 2005 will have the task of implementing the reform. The feeling of several international interlocutors is that the government should devote more attention to legislative and administrative details necessary to ensure the smooth functioning of the system.⁹

44. I believe that the Macedonian local and central authorities, in their respective spheres of competence, should develop a well-thought-out strategy for the practical implementation of the reform of the system of local self-government, monitor its effective implementation, evaluate its sustainability and acceptance by the citizens, and remain ready to adjust it to respond to weaknesses or new challenges. An effort should be made to inform the population of the impact of the reform on their lives and to ensure that the reform is used to promote better governance, transparency, accountability and a greater sense of civic engagement.

- improving the trust of citizens in the political system and state institutions

45. During my visit I had the impression of a dominance of political parties – rather than state institutions - in political life and the public arena in general. I think that this is a dangerous feature which, in the long term, could undermine the legitimacy of state institutions and weaken the development of a sense of civic participation in the population. In addition to being divided mostly along ethnic lines, political parties are not bound to rules about accountability, transparency and the system of check and balances, as opposed to state institutions. Besides, there is no legal framework to ensure their internal democracy.

46. It does not contribute to the trust of Macedonian citizens in their political system that politicians have often been involved in corruption scandals. The Group of states against corruption (GRECO), to which Macedonia is a party, observed in 2002 that *'while it is difficult to quantify precisely the level of corruption (...), it can also be certified that public perception is that corruption is a worrying phenomenon that affects the activities of some important State institutions and certainly undermines the democratic and, above all, economic development of the country: the phenomenon of corruption is considered as the country's most serious problem along with unemployment. Both public officials and representatives of "the former Yugoslav Republic of Macedonia" society agree that the country is widely contaminated by corruption and corruption-related offences, to an extent that endangers further political, economic and social development of the country'*.¹⁰

⁹ International Crisis Group, Macedonia: Not out of the Woods Yet, 25 February 2005, page 7.

¹⁰ GRECO, Evaluation Report on "the former Yugoslav Republic of Macedonia", First Evaluation Round, 10 December 2002.

47. Since 2002 the situation has improved, and above all, the political class has acquired more awareness of the need to curb the phenomenon of corruption. According to GRECO, by December 2004 most of its recommendations to Macedonia had been implemented. I believe that the Macedonian authorities should continue to cooperate with GRECO, and in this context give full implementation to its remaining recommendations, in particular those relating to immunities¹¹ as well as another on conducting regular studies on corruption, as an element which would contribute to refining the strategy to fight this phenomenon.

- building a truly multicultural society based on civic sense

48. As I mentioned earlier, all the actors I met have confidence in the reforms on the protection of minorities. This is an important element but politicians should keep in mind that in a country with a multiethnic composition such as Macedonia¹² the effort of building a truly multicultural society should be a constant priority. To this end, the protection of ethnic minorities is a necessary measure but not the only one: the interaction between individuals belonging to different ethnic groups should be encouraged as a way of preventing a segmentation of society along ethnic lines; besides, small minorities should not be marginalised in the political, economical and cultural spheres. I invite, therefore, the government of Macedonia, the Committee on Inter-Community Relations and the Ombudsman to be vigilant on these matters and pay particular attention to the recommendations recently made by the Advisory Committee of the Framework Convention on the protection of national minorities and the European Committee against Racism and Intolerance (ECRI).¹³

49. Similarly, the achievements accomplished over the last four years in the field of education need monitoring and consolidating. The University of Tetovo, where Albanian is the language of instruction, has been recognised officially, which was a main Albanian demand. Macedonian authorities, however, should envisage appropriate policies to ensure that the freedom to use minority languages does not become an obstacle to communication between different ethnic groups, and therefore a cause of division rather than cohesion of society. In addition, Macedonia is strongly encouraged to ratify the European Charter for Regional and Minority Languages, which it signed in 1996.

b) Revitalising the economy

50. Macedonia's landlocked position and relatively high degree of economic openness, with foreign trade accounting for some 90 percent of the Gross Domestic Product, *'make it very dependent on external developments. As a result, the country is especially vulnerable to shocks, which have occurred with frequency during the past decade'*.¹⁴

51. The World Bank has recommended that the Macedonian government should focus on three priority areas:

- intensifying economic growth;
- sustaining reforms in the public enterprise, financial and public sectors; and
- implementing poverty-reduction measures to alleviate the negative effects of reforms;

52. Revitalising the economy is one of the government priorities but is still a difficult task given the low level of foreign investments. At the moment, despite the difficult bilateral relations due to the controversy over the official name of the country, Greeks are the first private investors in Macedonia, followed by Germany, Switzerland, United States, United Kingdom and Cyprus. The government is actively trying to promote closer economic and financial relations with other neighbouring countries, including Croatia, Slovenia and Turkey.

¹¹ In its Compliance Report on "the former Yugoslav Republic of Macedonia" (2 December 2004), GRECO concluded that Macedonia had not complied with its recommendations to establish guidelines for members of the Assembly containing criteria to be applied when deciding on requests for lifting immunities and to reduce the list of categories of officials covered by immunity to a minimum.

¹² According to the 2002 census, Macedonians represent 64,2% of the population, followed by Albanians (25,2%), Turks (3,9%), Roma (2,7%), Serbs (1,8%), Bosniacs (0,8%), Vlachs (0,5%) and others (1%).

¹³ The Advisory Committee of the Framework Convention on the protection of national minorities published its Opinion on "the former Yugoslav Republic of Macedonia", in February 2005 and so did the European Committee against Racism and Intolerance.

¹⁴ World Bank, FYR Macedonia Country Brief 2004.

53. Through the European Agency for Reconstruction, the European Union is also assisting Macedonia in the field of economic reform with a view to establishing a fully functioning market economy capable of delivering sustainable economic growth, fostering trade, generating employment – the unemployment rate is 30,1% - and competing at European level. This activity should be encouraged by the Council of Europe.

c) Working towards Euro-Atlantic integration with realistic expectations

54. I mentioned earlier that there is great enthusiasm for Euro-Atlantic integration: in March 2004 Macedonia applied for EU membership; the following month – first among the countries of the former Yugoslavia – it signed a Stabilisation and Association Agreement with the EU, and is now awaiting reply from the Commission on whether it is ready to begin accession negotiations. As to military integration, Macedonia is a member of NATO's Membership Action Plan (MAP), designed to assist aspiring partner countries to meet NATO standards and prepare for possible future membership. It seems that Skopje may receive an invitation to join NATO in 2006.

55. I believe that the Council of Europe should assist Macedonia in meeting the standards required for EU membership in the areas falling under its mandate. On the other hand, while encouraging the Macedonian authorities to continue in their efforts, I wish to call on their cautiousness and pragmatism: as for other EU member states, the process of EU integration may take some time; public opinion – which appears to be strongly EU-oriented – should be adequately informed about the whole process and should not be left with the impression that EU membership is just *around the corner*. Similarly, the tendency to consider Euro-Atlantic integration as a solution to all evils of the country should be strongly resisted: Macedonians have primary responsibility for their state and the way it is run.

d) Solving outstanding bilateral issues

- the name issue

56. The most internationally visible outstanding issue for Macedonia is the question of the name of the state, which causes tensions in bilateral relations with Greece. Since 1995 the so-called 'dual name solution' is in use: Macedonia uses its constitutional name domestically and in bilateral relations while in multilateral relations it is called "the former Yugoslav Republic of Macedonia". This solution implies a number of practical difficulties, as we all are aware.

57. The negotiations over this issue are held under the aegis of the United Nations and facilitated by the Personal Envoy of the UN Secretary General, currently Mr Matthew Nimetz. Despite ten years of negotiations no effective result has yet been reached. The latest proposal by Greece of changing the name to: 'New Republic of Macedonia – Skopje', made the week before my arrival to Skopje, has been categorically rejected by Macedonia. The European Union, on the other hand, has clearly stated that it will not play a role over the name issue.

58. During my visit I had long talks over this question: both sides are convinced that negotiations are close to a conclusion and want to be in the best possible position when it happens: Macedonia argues to hold a right to choose its own name and use it, and considers the reasons for the Greek opposition purely emotional; Greece maintains that Macedonia has been historically the name of northern Greece for 3000 years; furthermore the use of the name Macedonia by Skopje creates confusion given the existence of a Macedonian region in Greece.

59. The idea that the negotiations may have reached their final status is in my opinion confirmed by the recommendation made by the Foreign Affairs Committee of the German Bundestag as well as its equivalent in the House of Commons to their respective governments to follow the example of the United States and recognise Macedonia with its constitutional name. The Italian Parliament may soon take a similar position, following a proposal of the Chair of the Committee on Foreign Affairs of the Chamber of Deputies, Mr Gustavo Selva. As to Council of Europe member states which have already done so, they include Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, Lithuania, Russia, Serbia and Montenegro, Slovenia, Turkey and Ukraine.

60. I believe that the Council of Europe should not play a direct role in the name issue as this should be settled on a bilateral basis. The Assembly, however, could invite the European Union to play a more substantial role in the negotiations, given the application of Macedonia for EU membership. Above all, Macedonia and Greece should be strongly encouraged to settle this dispute before the beginning of talks on the final status of Kosovo.

- the demarcation of the border

61. Despite a border treaty signed in 2000, the demarcation of the border between Macedonia and Serbia and Montenegro in the north-west towards Kosovo is still outstanding. This creates a situation of uncertainty at security and border control levels; besides, cross-border traffic can take many hours, thus impeding regular private contacts and trade. I believe that all the parties concerned should make an effort to reach a satisfactory solution as soon as possible, also in the interest of regional stability.

6. Conclusions

62. Macedonia has successfully overcome the crisis of 2001 and has laid down the foundations of a legislative framework capable of ensuring internal stability. This is an important achievement for Macedonia and for the region of the western Balkans as a whole, which in the next months will have to face daunting challenges such as the beginning of negotiations over the final status of Kosovo.

63. Now the key word is 'consolidation': these achievements need consolidating and confidence-building.

64. Macedonia is a young democracy which needs to strengthen its democratic institutions and enhance the trust of citizens in the political system; it is a multiethnic state which needs to overcome the division of society along ethnic lines to privilege the development of a sense of civic citizenship and promote the interaction between people belonging to different ethnic groups, in the full respect of multiculturalism; it is a country which can look with optimism at closer Euro-Atlantic integration, provided that it commits itself to completing the reform process, monitor its effective implementation, evaluate its sustainability and acceptance by the citizens, and keep ready to adjust it to respond to weaknesses or new challenges, with a view to preserving internal peace and stability; it is a country which can be an example and an element of stabilisation for the entire region, provided that it does not lower its guard on the implementation of reforms and solves outstanding bilateral issues.

65. I said in my report that the Macedonian political class looks forward. I wish to recall here the words of the late President Boris Trajkovski: *'My vision for Macedonia is for it to become a fully fledged member of the EU and NATO. (...) My vision is to lead the Republic of Macedonia to democracy and prosperity, building a society that is based on individuals and not ethnic groups – citizens and not minorities and majorities. The country has to build a democracy that is based on individual not collective rights and responsibilities. I want Macedonia to be a country where every individual can achieve his or her potential through hard work and merit – a country in which all citizens, regardless of background, can fulfil their expectations'*.¹⁵

66. The Assembly should acknowledge that Macedonia has laid down sound premises for this vision to become reality and encourage and support the continuation of its efforts.

¹⁵ Address to the Council of Europe Parliamentary Assembly, 27 April 2002.

APPENDIX

Programme of the visit

Skopje, 23-25 March 2005

Wednesday, 23 March 2005

- 16.55 Arrival at Skopje airport
- 18.00 Meeting with **Mr Michel Rivollier**, Council of Europe Resident Expert in Skopje
- 19.00 Meeting with **H.E. Giorgio Marini**, Ambassador of Italy

Thursday, 24 March 2005

- 08.00 Meeting with **Mrs Catherine Walker**, UNHCR Representative
- 08.40-9.20 Meeting with **Mr Ljupco Jordanovski**, President of the Assembly of the Republic of Macedonia
- 09.30-10.00 Meeting with **H.E. Lawrence Butler**, Ambassador of the United States of America
- 10.10-10.45 Meeting with **Mrs Eleonora Petrova-Mitevaska**, Chair of the delegation of the "former Yugoslav Republic of Macedonia" to the Parliamentary Assembly of the Council of Europe and the members of the delegation.
- 10.55-11.25 Meeting with **Mrs Ilinka Mitreva**, Minister of Foreign Affairs of the Republic of Macedonia.
- 11.35-12.20 Meeting with **Mr Ejup Rustemi**, Chairperson of the Committee on Inter-Community Relations of the Assembly, and members of the Committee
- 12.25-13.10 Meeting with **Mrs Vesna Borozan**, Vice-Chairperson of the Committee on European Issues of the Assembly, and members of the Committee
- 13.15-14.00 Meeting with **Mrs Teuta Arifi**, Chairperson of the Foreign Policy Committee of the Assembly, and members of the Committee
- 16.00-16.30 Meeting with **H.E. Theodora Grosomanidou**, Ambassador of Greece
- 16.45-17.15 Meeting with **H.E. Michael Sahlin**, EU Special Representative

Friday, 25 March 2005

- 08.00-8.50 Meeting with **H.E. Carlos Pais**, Head of the OSCE Spillover Monitoring Mission
- 09.00-09.20 Meeting with **Mr Jani Makraduli**, Coordinator of the Parliamentary Group of SDSM
- 09.25-09.45 Meeting with **Mr Rafis Aliti**, Coordinator of the Parliamentary Group of DUI
- 09.50-10.10 Meeting with **Mr Cedomir Kraljevski**, Coordinator of the Parliamentary Group of VMRO-People's Party
- 10.15-10.35 Meeting with **Mr Koce Trajanovski**, Coordinator of the Parliamentary Group of VMRO-DPMNE

Doc. 10547

- 10.40-11.00 Meeting with **Mr Andrej Zernovski**, Coordinator of the Parliamentary Group of LDP
- 11.05-11.25 Meeting with **Mr Ruzdi Matoshi**, Parliamentary Group of DPA
- 11.30-11.50 Meeting with **Mr Stojan Andov**, Coordinator of the Parliamentary Group of LP
- 12.30-13.00 Meeting with **Mr Vlado Buckovski**, Prime Minister
- 15.10-15.40 Meeting with **Mr Idzet Memeti**, Ombudsman of the Republic of Macedonia
- 17.30 Departure from Skopje Airport

Reporting Committee: Political Affairs Committee.

Reference to Committee: Res. 1255 (2001) and 1261 (2001)

Draft Resolution unanimously adopted by the Committee on 26.04.05

Draft Recommendation adopted with one abstention by the Committee on 26.04.05

Members of the Committee : MM. Abdülkadir **Ateş** (Chairperson), Mr Mikhail Margelov (Vice-Chairperson) Mr Latchezar **Toshev** (Vice-Chairperson) Mr Dick Marty (Vice-Chairperson), Mrs Manuela Aguiar, Mr. Giuseppe Arzilli, Mr David Atkinson (alternate: Sir Sydney **Chapman**), Mr Claudio Azzolini (alternate: Mr Fiorello **Provera**), Mr Miroslav **Beneš**, Mr Radu-Mircea Berceanu, Mr Gerardo **Bianco**, Mr Haakon **Blankenborg**, Mr Giorgi Bokeria, Mrs Beáta **Brestenká**, Mr Doros Christodoulides, Mrs Anna Čurdová, Mrs Juana Serna, Mr Noel Davern, Mr Michel **Dreyfus-Schmidt**, Mr Adri Duivesteijn, Mrs Josette **Durrieu**, Mr Mikko **Elo**, Mr Jean-Charles **Gardetto**, Mr Charles **Goerens**, Mr Daniel Goulet, Mr Andreas Gross, Mr Klaus-Jürgen Hedrich, Mr Jean-Pol Henry, Mr Joachim Hörster, Mr Tadeusz Iwiński, Mr Elmira Jahić (alternate: Mr Sead **Avdjić**), Mr Ljubiša Jovašević, Lord Frank **Judd**, Mr Ivan Kalezić, Mr Oleksandr Karpov, Mr Oskars **Kastēns**, Mr Petro Koçi, Mr Konstantin Kosachev, Mr Yuriy Kostenko, Mrs Darja Lavtižar-Bebler, Mr Göran **Lindblad**, Mr Tony Lloyd (alternate: Lord John **Tomlinson**), Mr Younal Loutfi, Mr Frano Matušić, Mr José Medeiros Ferreira, Mr Evagelos Meimarakis (alternate: Mrs Elsa **Papadimitriou**), Mr Murat Mercan, Mr Jean-Claude Mignon, Mr Marko **Mihkelson**, Mrs Natalia Narochnitskaya, Mr Zsolt Németh, Mrs Carina **Ohlsson**, Mr Boris **Oliynyk**, Mr Algirdas Paleckis, Mr Theodoros Pangalos (alternate: Mr Konstantinos **Vrettos**), Mrs Eleonora **Petrova-Mitevská**, Mrs Sólveig Pétursdóttir, Mrs Clara Pintat Rossell, Mr Gordon Prentice (alternate: Lord **Kilclooney** of Armagh), Mr Dumitru Prijmireanu, Mr Gabino Puche, Mr Lluís Maria de Puig, Mr Jeffrey Pullicino Orlando, Mr Umberto Ranieri, Mr Michael Roth, Mr Jan Rzymelka, Mr Peter Schieder, Mr Adrian Severin, Mrs Hanne **Severinsen**, Mr Samad Seyidov, Mr Leonid Slutsky, Mr Michael Spindelegger, Mr Zoltán **Szabó**, Mr Mehmet Tekelioğlu, Mr Tigran Torosyan, Mrs Marianne Tritz, Mr Vagif Vakilov, Mr Luc Van den Brande, Mr Varujan Vosganian, Mr Andrzej Wielowieyski, Mr Bart van Winsen, Mrs Renate Wohlwend, Mr Marco Zacchera

Ex-officio: MM. Mátyás Eörsi, Mats Einarsson,

N.B. : The names of the members who took part in the meeting are printed in **bold**

Head of the Secretariat : Mr Perin

Secretaries to the Committee: Mrs Nachilo, Mr Chevtchenko, Mrs Sirtori-Milner

