

**ROSE-ROTH
SEMINAR**

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Original: English



NATO Parliamentary Assembly

**62nd ROSE-ROTH SEMINAR
AND
11th CONFERENCE OF THE ALBANIAN ATLANTIC
ASSOCIATION**

**THE NEW SECURITY CHALLENGES OF THE
EURO-ATLANTIC COMMUNITY FROM THE POINT
OF VIEW OF THE WESTERN BALKANS**

SECRETARIAT REPORT

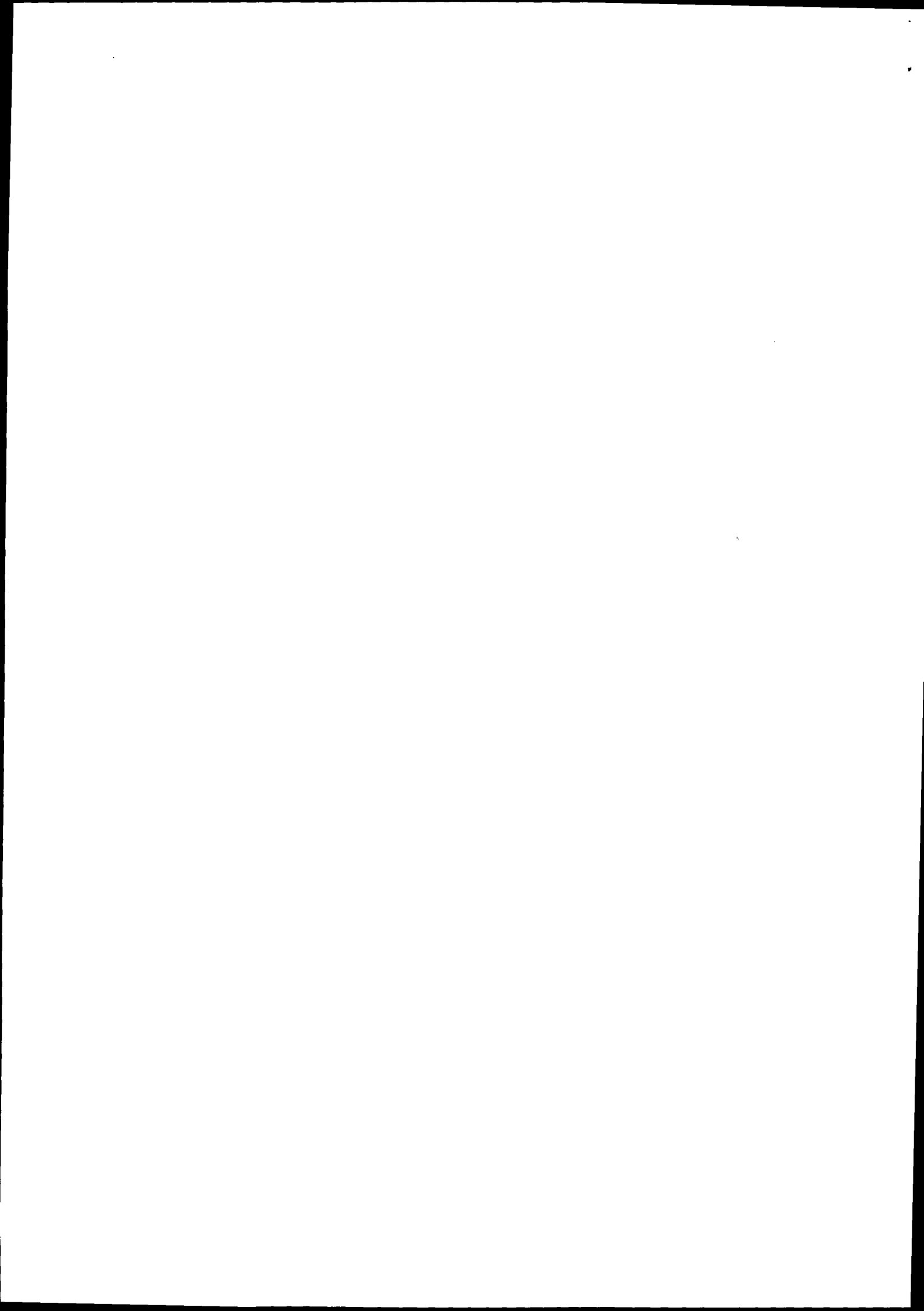
**Tirana, Albania
22-24 APRIL 2006**

International Secretariat

8 May 2006

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The 62nd Rose-Roth Seminar, held in Tirana on 22-24 April 2006, was jointly organised by the NATO Parliamentary Assembly, the NATO Public Diplomacy Division and the Atlantic Association of Albania, under the auspices of the Parliament of the Republic of Albania. Some 45 legislators from NATO and partner countries, including all Western Balkans countries, as well as members of governments, academics, and civil society representatives, discussed the challenges facing the region, such as organised crime and corruption, the unresolved status of Kosovo and Montenegro and security sector reform. On the other hand, the participants recognised notable progress in an increasingly safe and stable region.

OPENING SESSION

In her opening remarks, **Ms. Jozefina ÇOBA TOPALLI**, Speaker of the Parliament of Albania, stressed that NATO membership is a top priority for her country. Albania is determined to become a net contributor to security and to participate in multinational peacekeeping missions. The improvement of the security situation in the Western Balkans was largely achieved thanks to the involvement of the Alliance. Most of Ms. Topalli's address was dedicated to Albania's most acute internal challenge: the fight against organised crime and corruption. The Speaker of the Parliament reassured the participants that the current government has a firm political will to tackle this problem and to continue reforms necessary to join the Euro-Atlantic community.

Mr. Sali BERISHA, Prime Minister of Albania, reiterated Albania's determination to continue its progress in fulfilling the Membership Action Plan (MAP). With regard to the plan's political requirements, the latest parliamentary elections and the smooth transition of power demonstrated that Albania is becoming a mature democracy. On the military side, Albania is restructuring and downsizing its armed forces, and emphasising mobility and deployability. Despite its limited resources, Albania is also making efforts to increase its defence budget to 2% of GDP. The Prime Minister was positive that, in the long run, these expenditures were economically meaningful as NATO membership would boost foreign investment. Mr. Berisha also underscored his government's resolve to tackle corruption and break the symbiosis between the authorities and crime structures. The current government pursues a policy of 'zero tolerance' towards bosses of organised crime. With respect to the pending problem of Kosovo, the Prime Minister emphasised the need for increased dialog between Pristina and Belgrade. He called for a settlement that would guarantee freedom of religion and the rights of ethnic minorities in the province.

Mr. Fatmir MEDIU, Minister of Defence of Albania, pointed out that Albania's goal is to create professional and well-equipped armed forces. Progress is evident and tangible. By 2008, Albania expects to have a cell of its armed forces that would be fully deployable and available for multinational peacemaking missions. In the same year, Albania also expects to reach the threshold of 2% of its GDP being dedicated to the defence sector. Mr. Mediu maintained that the efforts of the Adriatic Three should be clearly evaluated in the upcoming NATO Summit in Riga.

NATO PA President **Pierre LELLOUCHE** (France), in his welcoming remarks, expressed his support to the current government of Mr. Berisha, which faces immense challenges in transforming a country that was one of the world's most appalling dictatorships during the Cold war. Albania is the key player in the stability of this region of Europe. The Assembly will continue to support Albania's integration efforts, as well as those of Croatia and FYR of Macedonia¹, before and after the Riga Summit. The President of the Assembly paid homage to the loyalty with which the Albanian forces have played their part in Afghanistan and other arenas. Albania also plays a very constructive role in international efforts to settle the question of Kosovo. Mr. Lellouche also

¹ Turkey recognises the Republic of Macedonia with its constitutional name

underlined the need for the Allied nations to assist Albania in its fight against organised crime, corruption and illicit trafficking.

NATO PA Vice-President **Pierre Claude NOLIN** (Canada), presented the agenda and the speakers of the 62nd seminar. He also noted that the Western Balkans are very much a work-in-progress and will require the international community's continued sustained engagement.

Mr. John COLSTON, Assistant Secretary General, Defence Policy and Planning Division, (DPP), NATO HQ, forwarded the warmest greetings from the NATO Secretary General for the success of this seminar. Mr. Colston was positive that Euro-Atlantic integration is the only way forward for the Western Balkans. The Alliance looks forward to welcoming new members although the explicit timeframe for membership is not yet known. NATO will remain engaged in the region as long as necessary but ultimately the countries of the region themselves will have to become the source of regional security. These countries need to choose commitment to the future by breaking clearly with the past and engaging themselves in genuine cooperation with the ICTY. They need to combat organised crime and corruption. They also need to further reform their armed forces, while bearing in mind the transformation processes in the Alliance itself. Realistic defence budgets are vital in this respect.

Mr. Arian STAROVA, President of the Atlantic Association of Albania and the vice-president of the Atlantic Treaty Association, asserted that the Balkan perspective of existing security challenges is not a distinctive one, since the nations of the region share the same values of the Euro-Atlantic community. Mr. Starova grouped the challenges into two sets: 1) global challenges such as the proliferation of weapons of mass destruction, terrorism, military conflicts, poverty, etc., and 2) regional challenges in the Western Balkans such as unresolved status issues and the fight against organized crime. In order to deal effectively with global challenges, Mr. Starova called for a strengthening of the transatlantic debate and mutual understanding between the US and Europe. With regard to regional challenges, it is essential that the current talks on the future status of Kosovo, supervised by the UN secretary general's special envoy Martti Ahtisaari, result in a final and undisputed settlement of this question. The Western community should also assist Albania in breaking the vicious circle of cohesion between state structures and organised crime. Finally, Mr. Starova outlined the activities of the Atlantic Association of Albania which lead the effort to inform the Albanian public about the Euro-Atlantic security issues.

SESSION I: THE CURRENT SECURITY AGENDA IN THE WESTERN BALKANS

The first session of the seminar was moderated by **Mr. Troels FROELING**, Secretary General of the Atlantic Treaty Association. As a representative of the NGO sector, Mr. Froeling urged politicians to have the courage to make difficult decisions and to break the inertia that hampers necessary reforms. Albanian society must also understand the necessity of change and NGOs play a key role in shaping public perceptions.

In his keynote presentation, **Mr. Istvan GYARMATI** from Hungary, Chairman of the Center for Euro Atlantic Integration, pointed out that, paradoxically, the current security situation in the Western Balkans is more favourable than the security situation in the world. The question of unresolved status in the region is important, but perhaps not the most problematic one. The status problem plagued the region for many years, and this uncertainty has to be finally eliminated. The Dayton agreement was instrumental in putting an end to war, but it should not have been read as the ultimate peace treaty for the region. Had the international community not been so fixed on the provisions of the Dayton agreement, the Kosovo status question could have been resolved years ago, right after the NATO campaign against the Milosevic regime. The failure to do it then places the responsibility for the loss of Kosovo on the shoulders of democratic forces in Serbia.

Nevertheless, the speaker predicted that Kosovo would gain independence in the near future. The case of Montenegro, according to Mr. Gyarmati, might cause more instability than the case of Kosovo because Montenegrin society is less united and, in fact, split into two nearly equal parts on the question of independence. Yet again, whatever the outcome of the upcoming referendum in Montenegro, the speaker believed that the current union between Serbia and Montenegro is not viable and efforts to sustain it are pointless.

Organised crime and corruption are huge endemic problems in the region. According to Mr. Gyarmati, fighting this evil is possible provided authorities do it gradually. In transitional economies, killing corruption and crime all at once would mean killing the economy as well. Thus, one has to start with the elimination of political corruption and then gradually move to other types of corruption. The speaker also drew attention to the frequently neglected menace of emerging Islamic radicalism in the region. Due to the poor shape of the economy and the high unemployment rate, some young Muslims might be attracted to join fundamentalist groups.

Mr. Gyarmati emphasised the increased importance of 'soft security' in the region. He asserted that the reform of military forces is currently less relevant than the reform of the police, criminal intelligence and the judiciary system. He also advocated the necessity of greater engagement on the part of the EU which needs to implement its strategy to integrate the region as outlined in Thessaloniki. He also encouraged the EU to give more tangible signs of its continued commitment such as easing the visa regulation in order to allow young people and workers to travel more easily to the EU countries.

In his response to the keynote speaker, Mr. Ilir GJONI, President of the Study Centre for Public Security, stressed that revival of ethnic confrontation and nationalism in the region should be prevented at all costs. To a large extent, these threats stem from the exaggerated notion of the 'nation state' and ethnic homogenisation. This notion should be replaced by the principle of multi-ethnic coexistence and European integration seems to be the only way to achieve this. The EU, therefore, should come up with a 'new European deal' for the Balkan region based on a more inclusive approach.

During the Q&A period, senator Nolin asked Mr. Colston if the process of NATO transformation is expected to be reinforced during the Riga Summit. Mr. Colston replied that new major initiatives, on the scale of past measures such as Defence Capabilities Initiative (DCI) or Prague Capabilities Commitment (PCC), were not anticipated this time. However, the Summit should send a clear signal to support the PCC and the NRF. During the Summit, the Allies should demonstrate their determination to make NATO fit to deal with the challenges of the 21st century. Mr. Mihail Lupoi (Romania) doubted if it was always wise to encourage independence of small regions, such as Kosovo. Mr. Lupoi questioned if such small entities would be viable on their own, especially given the scope of emigration. Mr. Gyarmati responded by noting that this trend has a bright side too as emigrants send a considerable part of their earnings back to Kosovo. Mr. Slobodan Casule (FYR of Macedonia) reiterated the assumption of Mr. Gjoni that the major source of instability in the region is the persistence of 19th century nationalist perceptions. It is essential that Kosovo does not become yet another "19th century entity", captured by organised crime. Mr. Casule also stressed the importance of supporting democratic forces in Serbia, which remains the key country in the region. Mrs. Jylnaze Syla and Mrs. Teuta Sahatqija from the Assembly of Kosovo both ensured the participants of the seminar that a future independent Kosovo will behave responsibly in order to maintain stability in the region. They also invited Kosovo Serbs to engage themselves proactively and constructively in the public life of the province. On the other hand, Mrs. Vesna Jovanovic, the representative of the Serbian minority in the Assembly of Kosovo, stated that the two ethnic groups in Kosovo coexist completely isolated from each other. The independence of Kosovo is regarded as a nightmare scenario for local Serbs. Mr. Gyarmati reacted to that by pointing out that Kosovo Serbs should not rely on their 'mother nation' to protect them. Instead, they should use every

opportunity to become an integral part of Kosovo society and to defend their rights within the system.

SESSION II: THE WESTERN BALKANS TOWARDS EURO-ATLANTIC INTEGRATION

Moderated by Mr. Ilir META, Chairman of the Committee for European Integration, Parliament of Albania

The first speaker of the second session, Chairman of the National Security Committee of the Albanian Parliament Mr. **Leonard DEMI**, focused on regional cooperation in the Western Balkans in the realm of security. The speaker advocated the idea of additional regional agreements, such as, for instance, a Schengen-type agreement to fight organized crime and illicit trafficking. In the defence field, Albania signed bilateral co-operation agreements with all countries in the region that include joint training, experience and information exchange, officer visits, drafting legislation assistance, etc. With regard to defense reform, Albania is strictly following its agreements with NATO, aiming to create small but effective and interoperable forces capable of conducting international military and rescue missions. Multilateral co-operation within the frameworks of the Adriatic Charter and the PfP have contributed considerably to the enhanced security situation in the region. As far as EU membership is concerned, Mr. Demi suggested that the countries of the region receive a status of 'partial membership' which would accelerate the pace of reforms and reduce the timeframe of the accession process.

The next speaker, **Mr. James PETTIFER**, Research Associate of the Conflict Studies Research Centre of the UK Defence Academy, focused mostly on the issue of the future status of Kosovo. After the crisis in Kosovo in March 2004, it became clear that the status quo under the UN administration was not tenable. In some important ways, UNMIC has failed to cope with a range of problems, from adequate water and electric power supply to inter-ethnic relations. Some form of independence is seen by most of negotiators as the only solution for Kosovo. Serbian authorities and the public must face the fact that there are currently one to two million Albanians in Kosovo who do not want to be in Serbia. They would be a source of endemic conflict until they received their own national destiny.

Mr. Pettifer also drew participants' attention to the fact that, as yet, the Balkans have been unaffected by the 'energy factor'. However, in the last year, there has been a dramatic increase in the power and influence of Russia, which seems to have become keen on using the so-called 'energy weapon' in politics. Mr Pettifer did not exclude the possibility that Russian energy policy might soon begin to influence developments in the Balkans the way it did in Georgia, Ukraine and elsewhere.

In the discussion, Mr. Casule (FYR of Macedonia) pointed out that the Balkan nations must realise that, when they carry out necessary and often painful reforms, they are not doing it because the EU or NATO tells them so. They are doing it for their own sake. On the other hand, the EU must provide a clear avenue for the Balkan nations towards membership, otherwise Europe will have to deal with the revival of nationalist forces in the region. He also seconded Mr. Pettifer's allegation concerning the potential influence of Russia's energy policy on the region. Mr. Casule asserted that this process is already happening. Mr. Vahit Erdem (Turkey) was interested in what type of organised crime prevails in the region. Mr. Demi and Mr. Pettifer replied that the illicit trafficking of humans, drugs (especially heroin) and weapons is the biggest problem. However, it is important to note that this is not an exclusively Balkan phenomenon. Western Europe has to take its share of responsibility as well because the demand for drugs or prostitutes comes from there. Mr. Kresimir Cosic (Croatia) stated that when it comes to politics in the Balkans, there are too many emotions and prejudices. Therefore, he called for an unbiased and comprehensive scientific study of the region's problems encompassing the issues of energy, transportation, economic co-

operation, legal co-operation, etc. With regard to European integration, Mr. Pettifer and some other speakers noted that the efforts of aspirant countries will not suffice if the EU itself does not change. It is currently obvious that the EU is suffering from some 'enlargement fatigue'. It is also important not to blend EU and NATO integration as these processes are quite distinct. The example of Turkey shows that a country might be a great NATO Ally even if the prospects of its membership in the EU are distant.

SESSION III: NATO AND THE BALKANS

Moderated by Jeppe KOFOD, member of the Danish Delegation to the NATO PA

In his presentation, **Mr. Gabriele CASCONI**, from the Partnership for peace and co-operation Programmes, PASP, NATO HQ, reassured the representatives of the Adriatic Three that their countries' accession to NATO is only a question of "when", not "if". He recited the criteria that candidate countries should fulfil in order to join the Alliance with defence reform being a very important but not the only requirement. Candidate countries should consolidate their democratic institutions, impose the rule of law, respect the rights of national minorities, implement police and judiciary reform, and, importantly, contribute to multinational peace operations. He believed that the Allies will send a signal of support to Albania, Croatia and FYR of Macedonia during the Riga summit. Mr. Cascone also briefed the participants on NATO cooperation programmes with the two other countries of the region – Serbia and Montenegro, and Bosnia and Herzegovina. Such cooperation is limited to the so-called Tailored Co-operation programme, which gives access to certain PfP activities, and defense reform assistance. More comprehensive co-operation will be possible only when these two countries engage in genuine collaboration with the International Criminal Tribunal for the Former Yugoslavia (ICTY). The speaker noted significant progress in Bosnia and Herzegovina, which managed to integrate all armed forces in the country under a single chain of command.

According to **Mr. John KRIENDLER**, Professor of the College of International and Security Studies, G.C. Marshall European Center for Security Studies, the fact that invitations are unlikely to be extended in Riga means that both the impetus to reform and the practical assistance and encouragement that NATO provides will remain essential. Moreover, if, as many hope, NATO extends an invitation to the Adriatic Charter countries in 2008, it is clear that the reform process will be far from over. One of the clear lessons of the last two rounds of enlargement is that integration is a slow process, taking up to 15 years. Prof. Kriendler also underscored the seriousness of the situation in Serbia and Montenegro. This state is on the brink of possible dissolution and can be described as "exhausted, impoverished and war-weary". Its progress towards European integration is inhibited by problems concerning cooperation with the ICTY, the lack of clarity about where Serbia's international borders will lie and EU "enlargement fatigue". Regarding Kosovo, the speaker argued for the continued presence of either KFOR or a follow-on NATO force in Kosovo during a transitional period.

Answering the question from Mr. Kofod (Denmark) on the role of the EU, Prof. Kriendler said that this role was going to increase, because once the status issue was solved, the issue of economic development will become central. Mr. Pettifer raised the question of preserving Serbian cultural heritage, which was in jeopardy during the dreadful events in Kosovo in March 2004. Mr. Pettifer believed there was a strong case for a separate internationally-led force to look after the monuments, churches and buildings of historic and cultural value. Mr. Simon Lunn, Secretary General of the NATO PA, asked how the assessments are done within NATO as far as political criteria of NATO membership is concerned. Mr. Cascone said that NATO indeed, to a large extent, relies on the expertise of other organizations that deal specifically with monitoring democratic standards. Specifically, NATO co-operates with the experts of the EU or the OSCE as well as with

national experts. But NATO does not make judgments, it merely provides information to its member states. Referring to the issue of follow-on forces in Kosovo, the NATO PA Secretary General also asked if the model of Bosnia could be applied, replacing NATO with EU forces. Prof. Kriendler argued that each case was different and expressed his conviction that given the importance attached to the US role in the case of Kosovo, the continued presence of NATO would be preferable. This notion was strongly supported by the participants from the Assembly of Kosovo. Mr. Karl Lamers (Germany) was worried about whether the international community was prepared to deal with a possible crisis in Montenegro if the results of the referendum fail to bring clear victory to either side. Prof. Kriendler agreed that the outcome of this referendum would be of crucial importance to the stability of the whole region. If both Serbia and Montenegro manage to deal with the outcome of the referendum in a civilized manner then this would significantly enhance the security climate in the Balkans. Otherwise, the referendum could pose a serious risk to security.

SESSION IV: SECURITY SECTOR REFORM IN THE WESTERN BALKANS

Moderated by Mr. Arian STAROVA, President of the Atlantic Association of Albania

Balkan region is as close to failure as it is to success, said **Mr. Petrit KARABINA**, Vice-Minister of Defence of Albania. Fortunately, in the era of globalisation and intensified cultural interaction, the leaders of the Balkans have realised that integration and co-operation is the only way to ensure lasting peace and economical welfare. Regional cooperation is vital to the success of the fight against organised crime and illicit trafficking. Yet the criminal structures have already perfected their multinational networks. In Albania the new government has already taken important steps to fight corruption: civil administrations are downsizing, the parliament passed the law on conflicting interests, while transparency is constantly highlighted. Albania's armed forces have made substantial progress and according to Mr. Karabina, Albania has already become a net provider of security.

Gen. Lt. Pellumb QUAZIMI, the Chief of the General Staff of the Albanian army, indicated that the philosophy of the Albanian military has radically changed in recent years and it is now based on universal democratic values rather than on exclusively national interests. Albania considers multilateral co-operation and participation in multinational peace support operations to be the cornerstone of its defence strategy. Albanian defence authorities are determined to use the available resources shrewdly to create a professional and agile military force capable of addressing these new tasks. On a regional level, the Balkan countries have installed and institutionalized regular meetings and consultations in a number of formats including ministers of defence, ministers of foreign affairs, and chiefs of staffs of armed forces. Such meetings, unimaginable several years ago, now significantly contribute to improving the overall security climate in the region by increasing mutual understanding and exchanging relevant information and experience. The speaker also highlighted the value of joint training, which in some cases include the military from Serbia and Montenegro, and Bosnia and Herzegovina.

Mr. Robert M.E. WENMAKERS, Senior Officer, Force Planning Directorate-Defence Policy and Planning Division, NATO HQ, indicated that the political leaders of the Balkans are in a difficult position when it comes to reforming the defence and security sector. As these reforms are costly, politicians from economically feeble countries are reluctant to increase defence expenditures. The only way to circumvent this thorny dilemma is to adopt a realistic long-term reform plan unambiguously endorsed by all major political parties. Mr. Wenmakers reassured that NATO was there to help. Indeed NATO's guidelines and specific targets, reflected in MAP and PARP, were instrumental in ensuring the satisfactory progress of defence sector reform in the Adriatic Charter countries. Similar rigorous planning is needed in other areas of the security sector as well,

Mr. Wenmakers argued. He also stressed that implementation of reform is more difficult than planning, and it therefore requires sustained political support.

Mr. Palombo (Italy) had doubts about the effectiveness and tempo of the implementation phase of defence reform. He pointed out that creating a professional army was not going to save money for Albania. Mr. Wenmakers and Mr. Karabina agreed with that, but insisted that the value of defence reform should be measured not by its costs *per se* but by the results it brings. If the results match the costs then the costs are acceptable. The army of conscripts is maybe cheaper to sustain, but one cannot use draftees in contemporary military operations. Preservation of such an army would therefore be a waste of resources. Answering another question from Mr. Palombo concerning education of Albanian officers, Gen. Lt. Quazimi informed the participants that Albania had agreements allowing Albanian officers to study in military academies in Italy, France, Turkey and elsewhere. Albania also recently upgraded its own system of military education. Senator Nolin (Canada) was particularly concerned about the fate of former officers and soldiers that were released from the army as a result of its downsizing. Mr. Wenmakers wholeheartedly shared these concerns and stressed the need to pay more attention to social consequences of the defence reform.

SESSION V: ALBANIA TOWARDS EURO-ATLANTIC INTEGRATION: INTERNAL SITUATION

Moderated by Mr. Vahit ERDEM, Turkey, Vice-President of the NATO PA

Mr. Edi RAMA, Mayor of Tirana and the leader of the opposition, was not very optimistic about the internal situation in his country. While Albania is making visible progress, its neighbors are moving forward much faster. Albania lags behind despite the fact that it evaded the ethnic and inter-religious conflicts that plagued other countries of the region. The opposition and the government agree on strategic issues, considering the modernization of the country through membership of the EU and NATO to be the top priority. The opposition also supports the government's commitment to eradicate organized crime and corruption. However, Mr. Rama and his Socialist Party disapprove of the methods used by the current government to fight this evil. Mr. Rama stated that drastic measures undertaken by the government address only the facade of the problem, and not its root causes. Moreover the Mayor alleged that under the disguise of the anti-corruption campaign, the Prime Minister is in fact seeking to eliminate his political opponents. Another dangerous aspect of this campaign is an evident attempt by the executive branch to subordinate the judicial system. Mr. Rama suggested that Albanian authorities should choose more civilized and well-tested methods, such as strengthening constitutional institutions and their immunity to corruption, supporting independent judiciary, carrying out necessary economic reforms and promoting good governance.

Ambassador Lutz SALZMANN, the Head of the European Commission Delegation to Albania, gave an overview of the main developments in EU-Albanian relations and an outlook of the forthcoming steps in Albania's integration process. He recognised the progress of Albania in key reforms, but noted that its road to the EU was still long, and that there were no shortcuts. He underlined the importance of the Stabilisation and Association Agreement (SAA) with Albania, which sets out how the EU and Albania trade and co-operate in a wide variety of fields. The SAA will prepare the ground for Albania to move towards European norms and standards; it will help the country to develop a functioning market economy and tackle other serious problems, such as organised crime and border security. The SAA is expected to be signed in June this year. However, Albania needs to improve its administrative capacity in order to implement the SAA properly. Albania also needs to liberalise its economy, improve private sector governance and complete privatisation. In addition to the SAA, the EU is expected to adopt measures facilitating the visa and travel regimes for the Balkan people.

Asked by Mr. Kofod (Denmark) to clarify the tactical differences between the ruling party and the opposition on anti-corruption policy, Mr. Rama said that it was not a Prime Minister's job to chase gangsters. The Prime Minister should focus on reforming the system. Bureaucrats and police officers should not have the power to make personal decisions when they deal with citizens or companies. The system should be clear and transparent, based on objective standards. Ambassador Salzmann echoed this by stressing that the European Commission efforts to assist Albania in fighting crime and corruption are considerably hindered by the fact that state institutions in Albania are not themselves immune to crime and corruption. Mr. Demi (Albania) and several other speakers reiterated the gravity of this problem, but hoped that it would be overcome by resolve and determination.

SESSION VI: NEW SECURITY CHALLENGES: THE CONTRIBUTION OF THE WESTERN BALKANS

Moderated by Mr. Pierre Claude NOLIN, Vice President of the NATO PA

The last session of the seminar provided an opportunity to hear the three different assessments of major regional challenges from representatives of three different countries of the region. **Ms. Jasmina GLISIC**, expert of the Centre for Civilian-Military Relations and Deputy Director of the Belgrade School for Security Studies, spoke about the most salient problems faced by her country, Serbia and Montenegro. At the moment, she said, "no news" is "bad news" for Serbia and Montenegro. Ms. Glisic singled out four major challenges for her country:

1. Sluggish security sector reform. Talking specifically about defence reform, the speaker pointed out that the political and legal framework for reform has not been completed. While subordination of the General Staff of armed forces to the Ministry of Defence (MoD) has been instituted, the subordination of military intelligence to the MoD is not fully functional. Modernisation and dramatic downsizing of the country's armed forces has started but at present more than 70% of the military budget is spent on salaries and pensions, and only 5% goes towards investment. Democratic control of armed forces is still weak and insufficient.
2. Future status of Kosovo. Ms. Glisic regretted that the ongoing dispute was focused on the issue of independence and territory while individual rights and needs are being put aside. She also questioned if either Belgrade or Pristina really have the capacity to govern Kosovo.
3. Failure to fulfil international obligations. Ms. Glisic criticised the 'inadequate response' by Belgrade to its obligations in terms of full co-operation with the ICTY. Such an approach keeps the country back from further Euro-Atlantic integration and demonstrates that Serbia is still failing to come to terms with its recent past.
4. Potential tensions after the referendum in Montenegro. If three states appear from what is presently Serbia and Montenegro, this certainly can bring more security challenges, Ms. Glisic maintained. However, it is very important that both the Minister of Defence and the Chief of the General Staff stated clearly that the armed forces would not interfere whatever the outcome.

Despite of the above problems and challenges, Ms. Glisic believed that the potential of Serbia should not be ignored, because this is the country with the most important strategic position in the region, the professional capacity of its armed forces is very high, and, last but not the least, its civil society is rather strong.

Ms. Gabriela KONEVSKA, Personal political adviser to the Special Coordinator of the Stability Pact of the South East Cooperative Initiative, although being Macedonian national, spoke as a representative of the Stability Pact. She emphasised that defence and security sector reform must remain a key component for all Balkan countries in their attempts to move closer to the EU and NATO. The reform should be an integrated process involving the government, the militaries and the parliament. This process is, to a very large extent, an economic and social issue and accordingly needs to be dealt with in the context of economic reconstruction and social

development policies. Sound border management and security is another issue to be addressed. The Ohrid Process for Border Management and Security, a joint effort by the countries of the region, the EU, the OSCE, NATO and the Stability Pact addresses this very sensitive issue. At the end of her presentation, Ms. Konevska welcomed the recent statement delivered to the Western Balkans countries from the EU Commissioner for Enlargement Mr. Olli Rehn that the trademark of EU enlargement strategy today is consolidation. This means that the EU will be cautious about taking on any new commitments, concentrating rather on existing ones.

Mr. Dragan LOZANČIĆ, the Deputy Head of Defence Policy and Planning Department, Ministry of Defence of Croatia, noted with evident satisfaction that Croatia was becoming uninteresting for the international community due to the absence of armed conflicts and humanitarian crisis. Croatia pays a great deal of attention to security-related matters mostly because of the emergence of new security challenges. Croatia's defence and security sector seeks to master cooperation networks with its neighbours in order to deal with organised crime and illicit trafficking, civil emergencies, economic and energy crises, proliferation of weapons of mass destruction, etc. Croatia participates in NATO and UN-led missions and supports peace processes in Bosnia and Kosovo. The country is engaged in comprehensive defence reform, although its defence expenditures are constantly decreasing. The goal is to have at least 40% of Croatia's armed forces deployable for international peace support operations. Croatia also plans to freeze conscription by 2010. Mr. Lozančić observed that his country's military philosophy is undergoing a conceptual change as Croatians begin to think and act as an ally. The speaker was concerned, however, that the public support for NATO membership remains low in Croatia: with the population overwhelmed by everyday problems, only one third of Croatians is clearly in favour of membership.

Mr. Lamers (Germany) wondered about the profile and image of NATO in the eyes of the Balkan population. Speaking for Serbia, Ms. Glisic acknowledged that a lot of Serbians still associate NATO with bombings and military aggression. She suggested that NATO's public diplomacy tries harder to explain the Alliance's role, mission and values. She also believed that NATO should be presented as an alliance of individual countries rather than as a single entity. In Serbia and Montenegro, the image of individual member states is often more favourable than perceptions of NATO as a whole. Ms. Konevska suggested that NATO or EU public diplomacy should target different sections of the population with different messages: while freedom of movement, for example, is much more appealing to young people, security assurances might win hearts and minds of older ones. In case of Croatia Mr. Lozančić noted that the political elite firmly supports NATO membership but the public is indifferent at best. This gap has to be bridged by public diplomacy. In reply to Mr. Bart van Winsen's (the Netherlands) question about the education programmes in schools, both Ms. Glisic and Ms. Konevska regretted that there was a glaring lack of education programmes on both NATO and the EU in Serbian and Macedonian schools. Some efforts have been undertaken by NGOs, but this is clearly not enough. Asked by Mr. Lupoi (Romania) about Croatia's potential niche capabilities, Mr. Lozančić replied that Croatia is still examining how to best contribute to regional and international security. Possibly, Croatia could specialise in providing "softer" capabilities, such as police forces or medical personnel.

Mr. Pierre Claude NOLIN, Vice President of the NATO PA, closed the seminar by reiterating the Assembly's support for the Western Balkan countries and by calling for the sustained engagement of the international community in order to assist the region in dealing with its challenges.

