

23-27 April - VISIT TO TIRANA AND PODGORICA (DSCFC) AND VISIT TO PODGORICA AND SKOPJE (CDS)

1. A delegation from the Defence and Security Committee's Subcommittee on Future Security and Defence Capabilities, led by Vahit Erdem (Turkey), visited Albania and Montenegro from 23 to 25 April 2007. The delegation was joined in Montenegro by another delegation from the Committee on the Civil Dimension of Security, led by Michael Clapham (United Kingdom), which then went on to visit the FYR of Macedonia* on 26-27 April 2007. The delegation met with leading political and military figures, representatives of intergovernmental and non-governmental organizations, and locally-based diplomats and NATO officials.

2. Both Albania and the FYR of Macedonia aspire to join NATO, possibly as early as 2008. Montenegro was admitted into NATO's Partnership for Peace shortly after the country's independence, and hopes to follow rapidly its two neighbors on their path towards Euro-Atlantic integration. In this context, the main goal of the visit was to gather information on these three countries' progress towards Euro-Atlantic integration, with a view towards informing discussions on future steps in their relations with NATO. Regional co-operation and regional security issues were other major themes of the visit, particularly with regards to the ongoing negotiations over Kosovo's future status.

II. ALBANIA

3. The delegation was impressed by the progress made by Albania in its military re-organization and reforms, as well as its ongoing contributions to NATO operations and the degree of public consensus on its NATO aspirations.

4. Independent observers the delegation met with generally agreed with government officials that while much remains to be done, Albania's reform processes are largely on track to meet NATO's military requirements for membership if they continue as planned. However, progress still needs to be made on the non-military aspects of NATO's standards. It is imperative that the ongoing efforts to achieve progress in these areas, especially in addressing the problems of corruption and human trafficking, the further development of democratic institutions and rule of law, as well as reform of the electoral system, continue apace. Progress on these issues will be important not only to bolster Albania's case for NATO membership, but also for Albania's own sake.

5. Overall, the delegation left with a positive impression of the efforts of the Government of Albania to meet NATO's performance-based standards and Albania's prospects for eventual membership in both NATO and the European Union. Barring backtracking or stagnation in the reform processes or major political setbacks, the delegation was optimistic about Albania's preparations for membership.

A. POLITICAL AND ECONOMIC CONTEXT

6. By all accounts, over 90 % of Albanians are in favour of NATO and EU membership. Consensus on these objectives exists across the political spectrum, ensuring cooperation among political parties on the reform processes required by these aspirations. Albania marked a milestone with the signing of a Stabilization and Association Agreement (SAA) with the EU in June 2006. The then Minister of Foreign Affairs, Besnik Mustafaj¹, described the SAA as a roadmap for Albania's overall modernization. The requirements spelled out in the SAA by the EU, when coupled with NATO's MAP, represent the highest standards for Albania's modernization. Mr. Mustafaj ticked off necessary political reforms, in the areas of rule of law, free market and competition, the fight against organized crime, and others as being of primary importance to the government.

7. Despite the consensus on NATO integration, ongoing difficult relations between the ruling party and the opposition remained a problem, the delegation learned. Although major efforts were being made to develop political dialogue between the sides, including by Mr. Leonard Demi, Head of the Albanian Delegation to the NATO PA and Chairman of the National Security Committee (NSC) of the Albanian Parliament, more efforts were needed in this area in order to ensure a functioning democratic system.

8. Albania's economic growth of 5-6 % of GDP annually was seen as an encouraging sign by independent observers, suggesting

a sustained level of economic growth would create space and stability for the reform process to continue. Indeed, Albert Rakipi, head of the Albanian Political Association, judged that the growing Albanian economy was ready to support the costs of NATO membership. However, in this area, observers suggested that it was vital to address significant problems in the areas of tax and customs (which are potential areas of corruption) with dynamic reform efforts.

9. There is active legislative oversight of the government's activities, the delegation learned from Mr. Demi. Mr. Demi's positive assessment of the Parliament's oversight activities focused in particular on the NSC's oversight activities, which have included passing important legislation, criticizing various ministries and inducing changes in their activities, and bringing new issues to light. The NSC had played a particularly important role in pointing out the problem of surplus munitions in the country, as well as in organizing public conference on defence reform measures and on fighting trafficking in persons. The NSC had also played a role in regional cooperation, organizing a conference of the parliamentary security commissions from all three Adriatic Charter countries.

B. REGIONAL SECURITY ISSUES

10. On Kosovo, Mr. Mustafaj, spelled out Albania's view that NATO's role there should continue after the final status of Kosovo is decided. Albania fully supports the recommendations of the UN Special Envoy on Kosovo, Martti Ahtisaari, on Kosovo's future. This plan - although not considered "perfect" by any side - was the most realistic and sustainable option. This was the perspective from Albania, a neighbouring country that would certainly be negatively influenced by any potential instability in Kosovo. Albania does not support any notion of a 'greater Albania,' Mustafaj stated, emphasizing Albania's commitment to peace and security in the region. While stressing the necessity to take into account dissenting international viewpoints, the Minister emphasized that delay in implementation of the Ahtisaari proposals would only lead to decreased stability in the region, which would not be in the interest of either Kosovo or Serbia.

11. Mr. Mustafaj further suggested that Serbia in particular should be integrated into NATO processes as rapidly as possible, partly as a means to ensure its demilitarization and increasing democratic control of the armed forces, in a country in which the military forces are still very powerful.

12. Several interlocutors highlighted the largely successful regional cooperation among Albania and its neighbours in the context of the Adriatic Charter, which includes Albania, the former Yugoslav Republic of Macedonia and Croatia, the three countries currently in NATO's Membership Action Plan (MAP). Albania was participating in a combined medical team with the other two members of the Adriatic Three in Afghanistan. U.S. Ambassador Marcie Berman Ries, representing the NATO Contact Point Embassy, described A-3 cooperation as even better than the U.S. had expected at its inception, noting the depth as well as diversity of cooperation in military, political and other fields.

C. DEFENCE AND SECURITY SECTOR REFORMS

13. Several governmental officials noted that Albania sees no specific external threat to its security. As a result, Albania's defence forces are being re-formed based on their possible participation in Alliance operations. The delegation heard from Fatmir Mediu, Minister of Defence of Albania, about the current deployments of Albanian forces abroad, in a number of operations including ISAF in Afghanistan, Bosnia, Iraq, and representation in Georgia. As previously noted, Albania is participating in a combined medical team with the other two members of the Adriatic Three - Croatia and Macedonia - in Afghanistan. The Minister stated Albania's intention to increase its commitment to Afghanistan by one company in June. In addition, Albania is considering participating in operations in Lebanon, as well as having volunteered for NATO's Operation Active Endeavour in the Mediterranean.

14. Albania's current defence reform process is based on a comprehensive Defence Assessment concluded in 2006 in cooperation with the U.S. Office of the Secretary of Defence and NATO's Allied Command Transformation. Major General Luan Hoxha, Chief of General Staff of the Albanian Armed Forces, and his staff outlined the review and its outcomes. The principal re-organization stemming from the Defence Assessment was the decision to move to a Joint Force Command structure from one that had featured separate services. Current planning calls for a fully professional force furnished with modernized equipment by 2010. The force is to be joint, usable, deployable, and sustainable, as well as fully interoperable with the forces of NATO Allies. The realignment calls for the Navy to move towards largely Coast Guard functions, while the Army will be composed of a Rapid Reaction Brigade and a Command Regiment. Eight percent of the land component is slated to be deployable for peacekeeping operations. The Air Force will scrap its fixed-wing aircraft and evolve into a completely rotary-wing based force. The new command structure is already in place, and many other related reforms are well underway; for instance, a new Military Strategy is also being drafted and reviewed.

15. While these reforms have largely met with success, they continue to face major challenges, including retiring major stockpiles of equipment (including fixed-wing aircraft), as well as instituting significant personnel cutbacks as the size of the overall force shrinks. General Hoxha highlighted the extent of the problem of decommissioning old equipment, citing the example of 900 tanks of Russian and Chinese origin, whose upkeep was prohibitively expensive. NATO HQ Tirana's Brigadier General Anastasios RINTIS reminded the delegation that Albania will not be self-sustaining in Alliance operations -- Albania is far from being able to provide its own strategic lift, for example, and in this and other areas, Albania will remain dependent on

bilateral assistance for the foreseeable future.

16. As part of its investigation of the Albanian defence reform process, the delegation visited the Zallher Garrison, a military installation outside of Tirana where the group witnessed training in riot response, crisis management, and helicopter operations. The group also was given a tour of the Base's communications facilities and administrative headquarters. Base commanders laid out for the delegation plans for considerable construction and renovation at the facility. All personnel encountered by the group demonstrated a level of proficiency in NATO's operational language. The visit included a briefing on Albania's Rapid Reaction Brigade and its 2nd Infantry Battalion. Base commanders emphasized that work at the facility is being done "to NATO standards," under the advice of outside experts, including from NATO, the U.S., Italy, and the consulting company SAIC. This was especially true of the training of the Rapid Reaction Brigade, which was labelled the highest priority unit of the new Joint Forces Command and the Albanian Armed Forces overall.

17. Defence officials several times highlighted the emphasis on English language proficiency, noting the importance of being able to operate in a working language with the Alliance. When asked by Members about the security of communications; Zallher's base commanders reassured the group that all communications networks were being developed to NATO specifications, and that they have been positively evaluated by NATO officials.

D. FUNDING DEFENCE REFORMS

18. Funding for Albania's ambitious military reforms came up repeatedly in discussions with the delegation. Mr. Demi highlighted efforts to increase the budgetary resources available to the military reform effort. He stated that 1.84% of the GDP was currently dedicated to defence, which was an increase over the last two years. Mr. Mediu, stated that spending on defence would rise to 2 % by 2008 (besting the original deadline of 2010), and that this percentage was budgeted through 2020 in order to financially sustain ongoing reforms. The group was pleased to hear from the leadership of NATO's local headquarters that the reforms planned by Albania, in close consultation with NATO, should be achievable within planned defence budgets.

19. On equipment modernization, the Minister of Defence stated his belief that donated equipment could often be more expensive than new acquisitions. The MOD has therefore charted a long-term acquisition plan, working with NATO's Joint Forces Command- Naples. Financing for such a program appeared to have Parliament's backing: according to Mr. Demi, a total of 16% of the defence budget was to be dedicated to equipment modernization in 2007, up from 6% in 2006.

20. The delegation was told that Albania faces an urgent need for funding of a major project to protect and destroy surplus, non-NATO compatible ammunition and equipment. This issue was raised by both Mr. Demi, and Ambassador Ries, who pointed out that approximately 100,000 to 130,000 tonnes of equipment was in need of destruction, at a price tag of at least \$50 million. According to Mr. Demi, while the U.S. had provided extensive assistance to construct a facility to destroy the ammunition, the destruction itself was still largely unfunded. The existence of this surplus presented an important security threat.

E. NON-MILITARY REFORMS UNDERWAY

21. Independent analysts representing several non-governmental organizations suggested to the delegation that Albania's progress on the non-military aspects of NATO membership requirements was roughly comparable to that of Bulgaria and Romania at the time of their accession. The NGO representatives emphasized that although Albania may not be a 'perfect' NATO aspirant yet, it had become a security exporter and contributor to the Alliance already. NATO, they argued, would be well served by bringing Albania in as a member, thus consolidating reforms that have already been made and providing the necessary framework to continue them, as well as contributing to regional stability.

22. Albania's recent electoral processes have faced some international criticism. Ambassador Ries, suggested that there had been a number of irregularities in the February 2007 municipal elections, including a continuing technical bureaucratic burden on voters; the Albanian population was to be commended for its patience in this respect. The Ambassador noted the efforts of the Albanian government on this issue, and that many international organizations were also contributing in the area of the electoral reform process, including NATO, the OSCE, the EU, and the Council of Europe. NATO HQ Tirana's Political Advisor Ambassador Stelios Mallikurtis noted that despite these shortcomings, there were encouraging signs, including the good performance of several institutions including the police, the media, and the central election committee. The result, while flawed, had been a fairly free election. Observers will take particular interest in the Presidential elections scheduled for the summer of 2007.

23. In the area of the fight against corruption, Mr. Demi described a new Task Force to lead this effort, headed up by Albania's Prime Minister. 120 anti-corruption cases had recently been launched, he said, and various surveys of perception of corruption had show positive trends. A representative from Albania's Contemporary Studies Association, Mr. Artan Hoxha, suggested government actions on this issue were a response to growing popular demand for a corruption-free society, and that the most promising measures reduced bureaucratic layers, rules, and fees, thus lessening opportunities for corruption.

24. U.S. Ambassador Ries also highlighted the significance of a new police law, which restructured the entire force. As a result,

the capabilities of the force had been steadily increasing, leading to several important arrests of key criminal figures.

III. MONTENEGRO

25. Montenegrin authorities have achieved a lot since the independence of the country one year ago. However, some important challenges remain, including the adoption of a new Constitution and the continuation of the reform process. As one foreign official put it, progress is still needed on three levels: fundamental reforms and institutions; implementation, administrative and legal capacities; and acceptance by the population of the reform process as a way to ensure its sustainability. An international official also noted that Montenegro faces two challenges: that of a new state which needs to consolidate its institutions; and that of a transition country which needs to implement reforms. During its visit to Montenegro, the delegation specifically addressed issues relating to the Constitution; the state of democracy and human rights; defence and security sector reform; Montenegro's foreign policy priorities; and progress towards Euro-Atlantic integration.

A. THE CONSTITUTIONAL PROCESS

26. The delegation learned that a draft Constitution was recently agreed by the parliamentary committee on the Constitution. This draft represents a consensus of all political forces on over 85% of the issues covered. Various parliament and government officials explained that the two main outstanding issues are the designation of the language and the issue of state symbols. Ranko Krivokapic, Speaker of the Parliament of Montenegro, summed up the challenge by stating that "these are both the easiest and the most difficult issues". On the language issue for instance, he explained that there is a consensus on what the language of the country actually is, but no agreement as to what to call it; part of the political class supports using as a basis the name of the country, but this solution is firmly rejected by another group.

27. However, there also appeared to be other important divisive issues. One relates to the role of religion and whether it should be mentioned in the Constitution and how. Another issue relates to the organization of the judiciary and the guarantees for its independence. A third issue opposes the supporters of the model of "civic state" and those advocating a "national state".

28. Under current arrangements, judges are appointed by the parliament based on a recommendation by a judicial council composed of judges and legal experts. One proposal currently under consideration aims at removing all political intervention in the appointment of judges in order to guarantee their independence. However, critics have raised fears that under such a system, the judiciary could become a separate and self-ruling group within the Montenegrin society. This would be all the more worrying as the current functioning of the judiciary is widely considered unsatisfactory, with other law enforcement institutions regularly complaining about the lack of co-operation from the judiciary.

29. On the third issue, the delegation learned that a majority of the population supports the civic state model based on the equality of citizens. However, representatives of ethnic minorities tend to favor a model that recognizes the role of national communities. Thus, a parliamentarian from the Serb People's Party argued in favor of the parallel recognition of the equality of citizens and of national collectives, as way to promote stability and avoid "nationalistic hysteria".

30. Despite divisions on these important issues, various local officials made it clear to the delegation that no one challenges the existence of the state as such. They insisted that the referendum on independence was an important success which set a precedent in terms of democratic standards and the peaceful settlement of the fundamental issue of state status.

B. DEMOCRACY, HUMAN RIGHTS AND MINORITY RIGHTS

31. Ambassador Paraschiva Badescu, Head of the OSCE mission in Podgorica, assessed the protection of human rights in Montenegro as largely positive. She explained that relevant institutions have been established and function well, although they need further consolidation. She also regretted that human rights issues are sometimes used for political purposes, which indicates a certain lack of political maturity. Civil society is also active, with over 3,000 NGOs. However, it is estimated that only 50 of these undertake significant activities.

32. The protection of ethnic minorities featured prominently in the delegation's discussions. Montenegro is a multiethnic society with 43% of Montenegrins, 32% of Serbs, 12% of Bosniaks, 5-6% of Albanians, 3% of Muslims, 1% of Croats, as well as other smaller groups. President Filip Vujanovic insisted that relations between ethnic groups in Montenegro are good and that Montenegro applies the highest European standards in terms of protection of minority rights. Mr. Krivokapic echoed this assessment, pointing out however that legal norms are not what makes Montenegro a good model of integration; rather it is the country's experience and history of multi-ethnicity. Foreign officials generally supported the view that Montenegro is different from other countries of the region in relation to the coexistence of ethnic minorities, because there is a shared sense of plurality of identities within the population.

33. Nevertheless, one parliamentarian from an Albanian party denounced the deficient political representation of ethnic

minorities; Albanians for instance represent 5-6% of the population, but their representation in political institutions is estimated at 0.5%. Other problems relate to representation in other administrations, as well as the use of the Albanian language in those municipalities where Albanians represent a majority of the population.

C. DEFENCE AND SECURITY SECTOR REFORM AND THE ROLE OF PARLIAMENT

34. Lieutenant General Jovan Lakcevic, Chief of General Staff of the Montenegrin Armed Forces, briefed the delegation about the reform of Montenegro's armed forces. Because defence was a responsibility of the State Union of Serbia and Montenegro, Montenegro had to build its defence architecture from scratch following independence. Many steps have already been achieved, including the appointment of a civilian Minister of Defence and the establishment of the Ministry of Defence. Issues regarding the personnel of the former joint army have been partly solved; an agreement between the governments of Serbia and Montenegro allowed personnel based in Serbia to join the new Montenegrin armed forces and vice versa. Work had also started on the main defence documents; adoption of the laws on national defence and on the armed forces, as well as of the defence doctrine, is expected for the autumn, following the enactment of the new Constitution.

35. Current plans provide for armed forces made up of 2,400 professionals and including the following components: the General Staff, one Infantry Brigade, One Special Operations Brigade - set to become the niche capability for participation in NATO operations, one Training and Support Brigade, an Air force base, a Navy base, a Guard of Honor, and a Military Police unit. The defence budget should remain within the 2% framework.

36. Outstanding challenges include insufficient financial and material resources; a poor education system; the surplus of civilian staff; a deficient infrastructure; and armament surpluses. Priorities for the next steps of the reform process thus focus on modernization, training, equipment, and engagement of the armed forces in international missions.

37. Lieutenant General Lakcevic emphasized the importance of international and regional co-operation to assist Montenegro with its defence reform, and hoped that Montenegro could soon join Albania, Croatia and the FYR of Macedonia in the Adriatic Charter.

38. President Vujanovic presented the state of police reform, explaining that two new authorities had been created: a police directorate and an agency for national security. Both are headed by a director appointed by the government based on a recommendation from the parliament. The Ministry of Interior has no operational responsibility, but deals with policy, legislation and administrative matters.

39. Mr. Krivokapic briefed the delegation on the parliamentary means of control over the defence and security sectors. He explained that three different types of hearings have been established and are used regularly. For instance the parliament organizes hearings with the directors of police and of the national security agency almost every month. The parliament has also gained in transparency and popularity. All sessions are broadcasted on a publicly accessible television station and the parliament is opening up to the outside world through internship programs or co-operation with NGOs. Lack of resources and personnel remains a challenge however.

40. Dragan Kujovic, Chairman of the Defence and Security Committee of the Montenegrin parliament, also provided a positive assessment of the role of the parliament in the defence and security sectors. Although current arrangements are far from perfect, important steps have already been taken to guarantee the accountability of those responsible for police and defence to the parliament, and through the parliament to the media and the public at large. The parliament has both the competence and capacity to exercise its control function, although these are not always fully used. Mr. Kujovic was confident that Montenegro could become a model of democratic control. This view, however, was not shared by all parliamentarians. One member underlined that the parliament still lacked experience and expertise; establishing necessary instruments for democratic control is a learning process. For instance, only one parliamentary hearing had been held with the Minister of Defence since his appointment in October 2006.

D. FOREIGN POLICY PRIORITIES

41. Milan Rocen, Minister of Foreign Affairs of Montenegro, presented Montenegro's foreign policy priorities. He stated that Montenegro's main goal was the establishment of good relations with all its neighbors, as well as with the main world powers. Regional co-operation was the utmost priority; Mr. Rocen labeled Serbia "the key country for the region". One foreign official explained to the delegation that this policy of good relations with all neighbors is typical to small countries; in the case of Montenegro, another important factor are the relations that some of Montenegro's ethnic communities maintain with neighboring countries.

42. Asked about relations with Russia, Mr. Rocen insisted that Montenegro has a long history of good relations with Russia and that he saw no contradiction between Montenegro's relations with Western partners and with Russia. Russian investments in Montenegro were high, representing some 12% of total FDI, but the highest share came from the United Kingdom and Ireland. Relations with Russia were not considered an obstacle to the process of EU and NATO integration. Unlike other former

communist countries, Montenegro does not see integration into EU and NATO in opposition to Russia. However, one NGO representative noted that Russian officials have already threatened that Montenegro's accession to NATO would seriously undermine its relations with Russia.

43. Many government and parliament officials told the delegation that since independence, relations with Serbia have been better than ever before. However, the issue of Kosovo featured prominently in the delegation's discussions in Montenegro. Foreign officials explained to the delegation that Montenegro feels very vulnerable with regards to developments in Kosovo. Although no one seriously expects another armed conflict, Montenegrin authorities are concerned about possible repercussions from the settlement of Kosovo's status, in terms of refugee flows, tensions within Montenegro's society, deterioration of the economic situation, etc. They have therefore preferred to adopt a "low profile" and minimize Montenegro's intervention in the negotiation process.

44. This was confirmed by Mr. Vujanovic and other government officials, who argued that Montenegro should not play a leading role or propose its own "solution". Montenegro's greatest contribution is to preserve stability within its own country and thereby demonstrate that it is possible to have a successful and functioning multiethnic state in the region. Montenegro's policy also aims at preserving the current good relations with both Belgrade and Pristina whatever the final status of Kosovo. Montenegrin officials insisted that any solution should avoid worsening both relations between Belgrade and Pristina and relations within the region. A unilateral proclamation of independence would put many countries of the region in a particularly difficult position.

E. MONTENEGRO'S EURO-ATLANTIC INTEGRATION

45. Montenegrin officials unambiguously expressed support for Montenegro's integration into Euro-Atlantic institutions. A large majority of the population (between 77 and 82% depending on estimates) is in favor of EU integration. Popular support for NATO is not as high. According to one NGO representative, a recent poll showed that only one third of respondents were in favor of NATO membership, while one third was against; one third remained undecided. As for political parties, only the Liberal Party is explicitly against NATO integration, while the Serbian party favors a referendum on this issue. The same NGO representative argued that this situation was due to lack of information among the population, to the memories NATO's intervention during the Yugoslav wars and its persistent image as a purely military organization. Both parliamentarians and NGO representatives thus recognized the need to communicate better on NATO and on the costs and benefits of NATO integration.

46. Zeljko Sturanovic, Prime Minister of the Republic of Montenegro, reviewed the recent steps taken by Montenegro following its admission to NATO's Partnership for Peace. Montenegrin authorities were due to introduce the PfP presentation document at NATO Headquarters in Brussels shortly after the delegation's visit. The PfP Security Agreement had been signed on 25 April 2007 and an agreement on data protection was forthcoming. The government set up a PfP Council chaired by the Prime Minister to oversee all PfP-related activities in Montenegro and a Montenegrin mission at NATO Headquarters was expected to open by mid-May.

47. Further European integration is also identified as a strong priority. However, Montenegrin authorities assured the delegation that the focus is on quality rather than on timing and deadlines. Several officials also insisted that "the doors to NATO and the EU are opened in Montenegro, not in Brussels", and that the pace of integration would depend on the country's own progress in implementing necessary reforms. Nevertheless, one NGO representative strongly appealed to the international community to be more open and honest about its expectations and provide clearer guidelines on the requirements that Montenegro needs to fulfill.

IV. THE FYR OF MACEDONIA

48. The FYR of Macedonia has come a long way since the 2001 crisis. A new government was formed following the 2006 parliamentary elections, with a young and Western-oriented team fully focused on leading their country further on the path to Euro-Atlantic integration. The country faces two important deadlines in this process: it hopes to receive an invitation to join NATO at the 2008 Summit of Heads of state and government of the Alliance; it also hopes to open accession negotiations with the European Union next year. However, despite an impressive program of domestic reform, the FYR of Macedonia still faces a number of serious challenges. The delegation learned that probably the greatest of these challenges is achieving political stability and a mature dialogue between all political forces in the country. A related challenge is the full implementation of measures taken since 2001 in order to pacify inter-ethnic relations in the country. Other issues which the delegation addressed during its visit include domestic reform, the regional context, and progress towards Euro-Atlantic integration.

A. POLITICAL SYSTEM AND INTER-ETHNIC RELATIONS

49. A large number of international and foreign officials, as well as some local officials, identified the lack of political stability as the number one challenge for the FYR of Macedonia on its path to Euro-Atlantic integration. The political system includes a large number of parties organized around strong personalities rather than specific issues and proposals, and whose sole purpose is to bring their leaders to power. A further problem is the lack of dialogue between the different political forces in the

country. These problems are reflected in the functioning of the parliament, where the current ruling coalition is made up of the VMRO-DPMNE and a coalition of 14 parties representing a majority of 65 out of 120 seats.

50. Ljubisa Georgievski, Speaker of the Parliament, himself recognized some of the deficiencies affecting the work of the Macedonian parliament. These include lack of information and expertise; an excessive focus on plenary sessions at the expense of the committees; unlimited speaking time in the discussions; and the absence of regular meetings between the leaders of all political groups to discuss the parliamentary agenda and timetable. Current discussions on new rules of procedure should provide a good opportunity to address some of these deficiencies.

51. OSCE officials gave a somewhat harsher assessment, noting that the parliament acts most of the time as a rubberstamp with very few bills actually initiated by individual parliamentarians. This is due partly to the overwhelming control exercised by political parties over their members, while individual parliamentarians generally do not benefit from any support structure. Additionally, opposition parties are weak and marred by internal divisions. OSCE officials therefore called on international partners to assist the Macedonian parliament with reforming its structure and internal workings.

52. One opposition parliamentarian identified the lack of democratic control over intelligence services as a particularly urgent problem, pointing to the need to reform the current structure of intelligence services - including through a long overdue process of lustration - and to enhance parliamentary control.

53. Problems associated with the lack of dialogue between political parties in the country are exemplified by the ongoing boycott of parliamentary work by the Albanian opposition party DUI. Local officials of the ruling coalition denounced this boycott as evidence for the lack of maturity of the DUI party, which still had to come to grips with the decision by the leading VMRO-DPMNE party not to include it in the ruling coalition following the 2006 elections. Foreign officials also pointed to the lack of maturity of the political system, noting that boycotts are still considered as a legitimate tool, not only by DUI, but also by other parties in parliament. However, they noted a growing awareness within the political class of the need to build trust and political dialogue.

54. Nikola Gruevski, Prime Minister of the FYR of Macedonia, told the delegation that he had recently had several meetings with the leader of the DUI party, with the EU and the United States acting as facilitators, and that he was hopeful that the political deadlock could be broken in the following months.

55. The principal points of contention in this standoff, the delegation was told by local officials, have to do with interethnic relations and to diverging interpretations of the requirements imposed by the Ohrid Agreement. However, one OSCE representative argued that ethnic grievances only provide a cover for a purely political fight for power. DUI's demands relate first and foremost to the implementation of the so-called Badinter principle, which requires that certain laws affecting ethnic minorities be adopted by a reinforced majority of the parliament as a whole and of representatives from ethnic minorities - which the current ruling coalition lacks. According to foreign officials, the Prime Minister had already agreed to consider with the DUI party a list of laws which should be submitted to the Badinter principles. He also agreed to review the composition of the parliamentary committee in charge of identifying the laws to be submitted to the Badinter principle - which is currently dominated by the ruling majority. Other issues relate to the use of minority languages in municipal administrations and the use of Albanian in chairing parliamentary sessions. On the latter issue, Mr. Georgievski informed the delegation that the DUI party insisted on the bilingual chairing of plenary sessions, which was unacceptable for the ruling coalition, as it would mean recognizing that the FYR of Macedonia has de facto become a federal state.

56. Nevertheless, there was a clear consensus among foreign and international officials that the FYR of Macedonia has come a long way since 2001 in implementing the Ohrid Agreement. The situation was now stabilized and major progress had been achieved in promoting the representation of ethnic minorities in the state administration.

57. Mr. Georgievski was less positive in his assessment. While recognizing that the Ohrid Agreement had helped transform the FYR of Macedonia into a completely new state and acted as the "guardian of peace", he noted that the FYR of Macedonia has not yet completed its transition from the model of a "national state based on consensus" to a "multiethnic state based on contention". In his view, the FYR of Macedonia is "multicultural, multiethnic and multi-confessional", but "the melting pot is not working" and could easily become another "powder keg". He called on international partners to assist the FYR of Macedonia in becoming a real "multi-multi-multi" society. For instance, this requires addressing the issue of the status of non-Albanian minorities and their representation in state institutions. Better integrating these minorities could be a way to avoid turning the FYR of Macedonia into a bi-national state.

B. DOMESTIC REFORMS

58. Foreign and international officials generally assessed the reform process in the FYR of Macedonia's very positively. However, they pointed to a number of areas where progress was still necessary. Erwan Fouéré, EU Special Representative and Head of the EU mission in the FYR of Macedonia, identified judiciary reform as a major challenge. The judiciary is the least trusted institution in the country. Main problems include high levels of corruption and insufficient representation of minorities.

Although the legislative framework is in place, implementation is still lagging. Equal representation of ethnic communities in the state institutions in general also needs to be fully implemented. Macedonian authorities should also seek to depoliticize public administration. Current practices tend to favor the replacement of almost all high level civil servants following a change in government - what several international officials described as the "tsunami effect". This represents a serious challenge for the continuity of public services, of reform processes, as well as, incidentally, of external assistance. Finally, the implementation of the second phase of decentralization, with the transfer to municipalities of the financial decision-making power, will represent an important test for the country.

59. Police reform featured prominently in the delegation's discussions. Gordana Jankulovska, Minister of Internal Affairs of the FYR of Macedonia, insisted that 2007 is a crucial year for the implementation of the new police law adopted at the end of 2006. All by-laws should be adopted by July 2007 and the reform fully implemented by the end of the year. This will lead to a complete reorganization of the police structure, including decentralization and the establishment of community policing. She also argued that representation of ethnic minorities in the police, one of the central requirements of the Ohrid Agreement, has improved significantly - from 2% in 2001-2002 to 17% today.

60. International officials however pointed to a number of remaining problems. Efforts to improve the representation of ethnic minorities were not systematic and required further monitoring. The police also continues to lack expertise, and its strategic planning and training strategy are deficient. The transition is particularly difficult for the border service, which has had to transform from a military to a policing service.

61. Ms Jankulovska informed the delegation that the fight against corruption was a major priority for the current government, which adopted a zero tolerance policy. Several members of parliament from the ruling coalition praised the results of this policy. NGO representatives also acknowledged positive developments, noting improvements in the functioning of the Anti-corruption Commission, a higher level of awareness among the population, and closer co-operation between government authorities and NGOs. However, they recalled that the FYR of Macedonia still ranks at the 105th position (out of 163) in Transparency International's corruption index, and suggested a number of additional steps: establish a merit-based system of state administration; depoliticize the state administration; work more closely with the private sector; and curb corruption in the judiciary.

C. THE REGIONAL CONTEXT

62. Despite difficult relations with some of its neighbors, the role played by the FYR of Macedonia in the region was generally assessed as constructive and contributing to greater stability. Relations with Greece continue to suffer from the dispute over the name of the country, although cultural and economic relations between the two countries are thriving. Antonijko Milososki, Minister of Foreign Affairs, explained to the delegation that Greece considers this issue as an international dispute, while Macedonian authorities consider it as a bilateral issue. Time is playing against Greek arguments, as 115 states have already recognized Macedonia by its constitutional name including the United States, Russia, China, Poland, Slovenia, Bulgaria, Turkey, etc. He warned that Greece might be tempted to use this issue for political purposes in the run-up to the upcoming elections and called on the NATO Parliamentary Assembly to work with its Greek delegates to prevent such an outcome.

63. A major factor in the regional context is the situation in Kosovo. Mr. Milososki admitted that this situation creates risks and tensions in the region, although security indicators do not point to any immediate cause for concern. The FYR of Macedonia would be in a particularly difficult position if Kosovo were to proclaim its independence unilaterally.

64. The delegation learned that all political parties in the country fully support the Ahtisaari plan. Additionally, Macedonian authorities insist that the sooner the resolution of Kosovo's status the better; that this resolution should produce further stability in the region, not further tensions; and that any attempt at modifying international borders should be firmly excluded.

65. Several Macedonian and international officials argued that in this difficult and sensitive context, it is particularly important to give the region clear prospects for a positive future. Mr. Milososki in particular called on the EU to offer Pristina and Belgrade prospects for further integration and to draw the lessons for Kosovo of the FYR of Macedonia's experience. He also argued that inviting the FYR of Macedonia to join NATO in 2008 would be a good signal for countries of the region as well as for the resolution of Kosovo's status.

D. THE FYR OF MACEDONIA AND EURO-ATLANTIC INTEGRATION

66. Mr. Gruevski informed the delegation that his government was fully focused on preparations for NATO membership. 2007 is considered as a crucial year and the government hopes to complete the reform cycle - legislation and implementation - earlier than expected by June 2007. The objective of NATO membership is supported by the whole spectrum of political forces, including the opposition. Support in the population is also very high at around 90%. The FYR of Macedonia has already demonstrated that it can be a security contributor by sending troops to Afghanistan, Iraq, Bosnia-Herzegovina and recently Lebanon. One Member of Parliament warned that the FYR of Macedonia's efforts and stability could be undermined if NATO failed to invite the country to join the Alliance in 2008. He thus called upon the delegation to give its full backing to the country's

accession to NATO membership.

67. Foreign officials admitted that the pace of reforms in the country is extremely fast, but noted that implementation is still lagging. Brigadier General John Durance, Commander of the NATO Headquarters Skopje, made a similar assessment, noting that although the PRP assessment was positive, the FYR of Macedonia still needed to move from basic reorganization to the second phase of transformation - full professionalization. Macedonian authorities also need to promote greater transparency and accountability.

68. EU accession is another major priority for the country, supported by 96-97% of the population. As Ambassador Fouéré explained to the delegation, the FYR of Macedonia was granted the status of candidate country at the end of 2005 in recognition of the progress achieved since the 2001 crisis. The next step is the opening of accession negotiations. It is still uncertain whether the Commission will recommend this in its next progress report in November 2007. Mr. Fouéré acknowledged that the political context in the EU was not favorable, and insisted that whether the opening of accession negotiations would be recommended or not, the EU should find a way to encourage the continuation of the reform process. The EU had until now been consistent in its commitment towards the Balkans and it was vital not to depart from this approach.

69. An interesting feature of the international presence in the FYR of Macedonia is the exceptionally close co-operation between international organizations, including in particular the EU, NATO and the OSCE. This was confirmed to the delegation by representatives from the three organizations.

* Turkey recognizes the Republic of Macedonia with its constitutional name.

1 Mr. Mustafaj resigned on April 24, 2007.