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Foreign Affairs of Sweden/Presidency of the European Union at the  
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**“The Western Balkans: Policy Responses to Today’s Challenges”**

Mr. Chairman, Mr. Co-Chairman, members of the Commission, I am honoured to have been invited to address you here today representing the Swedish Presidency of the European Union. The Helsinki Commission is a dynamic and highly-valued forum for transatlantic dialogue and undertakes important work in relation to democracy, rule of law, human rights and security in Europe. I want to thank you collectively for your longstanding engagement and commitment in these issues, which are of vital importance for Europe as a whole.

The transatlantic relationship constitutes a cornerstone of the EU's external policies and is based on shared values such as democracy, human rights as well as a commitment to open and integrated economies. Some would even say that the similarity in policy outlook across the Atlantic is the greatest in decades and we look forward to the upcoming EU-US Summit in Washington later on this fall.

It may seem confusing to an outsider that there are a number of different actors speaking on behalf of the EU. There is the Commissioner for External Affairs, the Commissioner in charge of Enlargement and the Western Balkans, there is the Secretary General/High Representative Javier Solana who personifies the EU Common Foreign and Security Policy. And there is still the rotating Presidency, which my country Sweden holds until the end of the year.

It is indeed a challenging task to lead a union of 27 member states. There is great diversity between the different countries. At the same time, the fact that the number of member states has increased in recent years has, I would say, contributed to the strength of the EU. We may discuss a lot internally, but in the end the EU, when united, has a powerful voice and a big influence in many fields: trade, development cooperation, foreign and security policy, environmental issues, consumer policy etc.

There are many big issues on our agenda for the coming months. The overriding priorities of the Swedish Presidency, as you are probably well aware, have to do with the economic situation in the world, employment and climate. The issue of the new EU Treaty is likely to dominate the Brussels agenda after the Irish referendum on Friday. We also focus on maintaining a secure and open Europe. We want to enhance the EU's role as a global actor. Enlargement is also very high on our agenda.

One of the challenges of our time is, of course, the situation in the Western Balkans.

### **Context**

The European Union has come a long way since its origins as a post-Second World War peace initiative in the 1950s. The European Union and its 27 Member States stand as a success story in the creation of peace and prosperity within its borders. The wider challenge of extending that peace and prosperity beyond its borders is clearly seen in the Western Balkans.

In fact, the European Union's Common Foreign and Security Policy has developed largely in response to the challenges presented by the repercussions of the end of the Cold War and the disintegration of the former Yugoslavia. In fact it was the failure to respond adequately to the war in Bosnia and Herzegovina in the 1990's that prompted EU member states to enhance and reinforce the EU's ability to conduct a credible and effective Common Foreign and Security Policy (CFSP), and this process is still ongoing.

My own Foreign Minister, Carl Bildt, as the EU-mediator at Dayton and subsequently the international communities' first international High Representative in Bosnia-Herzegovina, played an active role both pre and post Dayton, pushing for a sharper EU policy when involved in crises and also formulating a post war programme for conditional EU integration - The Regional Approach which was the forerunner of the EU's Stabilisation and Association Process.

In the aftermath of the Kosovo war in 1999 we saw violent crises emerging in FYR Macedonia in 2001 as a result of unsolved ethnic and social tensions. The Swedish EU Presidency at the time used the still untested Common Foreign Security policies to contain the crises. The EU troika involving High Representative Solana and Commissioner Patten showed readiness creating circumstances for negotiations which later on resulted in the Ohrid agreement, to be implemented by the EU's first European Security and Defence Policy (ESDP) mission.

### **Common Foreign and Security Policy (CFSP)**

Given this background, which has not always been encouraging – Bosnia was certainly not EU's "finest hour" – the EU's Common Foreign and Security Policy has developed gradually into a more coordinated, rapid and targeted set of instruments – both military and civilian. EU Police Monitors and regular Combat Missions as well as advisory missions have proved to be effective although challenges still remain.

Since 1991, the European Union has been the largest donor to the region, having provided roughly around € 13 billion in assistance, among others, for infrastructure, for institution building, for regional and cross-border cooperation, for strengthening protection of minorities and enforcing human rights.

When you include humanitarian and bilateral assistance of our Member States, please double the figure. Until 2013 we will spend more than € 900 million each year in the

region. This figure does not include the costs of the ESDP missions which we have launched since 2003 of which three are still ongoing.

Our political investment is immeasurable: Thousands of EU personnel in the institutions are working in and with the region, in the headquarter in Brussels, in the delegations of the European Commission in the region and in the three offices of the EU Special Representatives.

But even more importantly, the history of the European Union and its enlargement tells us that EU membership is a strong guarantor of lasting peace and social progress. With the enormous promise and incentive to change that the European perspective holds for the Western Balkans, these countries have embarked on the same journey from war and mistrust to peace and reconsolidation that reunified the European continent after World War II and the Cold War. The Western Balkans is on its way from the era of hard power to the era of soft power, from the era of Dayton to the era of Europe. The forces of disintegration is finally about to give way to the forces of integration.

The European perspective – with the ultimate goal of EU membership once the conditions have been met by each country on its own merits – releases the EU's transformative potential, where our democratic way of life and prosperity exercise a strong magnetic pull that provides hope and drives reform. Despite a certain “enlargement fatigue” there is a strong commitment of the EU member states to the objective of the Western Balkans countries becoming a members of the EU .

And the EU's enlargement to Southeastern Europe is more than a historic mission to finish the job of reunifying the continent. It is a matter of enlightened self-interest and of enhancing our own economic growth, security and freedom. It also creates opportunities to a broaden the common EU approach in crucial areas such as energy security and migration.

Mr Chairman,

Let me now turn to a few country specific comments, starting with our most advanced partner.

**Croatia** has traveled far along its road to membership of the European Union. A remarkable transition towards stable democracy, rule of law and a functioning market economy has taken place that should serve as a positive example for the Western Balkans region to follow. Clearly, it is the attractive forces of European and transatlantic cooperation structures that have underpinned this momentous societal change.

Since the start in 2005, Croatia has closed 7 out of 35 negotiating chapters in its process towards EU membership. Negotiations could be finalised by mid-2010, based on Croatia's own merits. This would enable Croatia to join the EU as a full member by 2011 or 2012.

Regretfully, the border dispute between Croatia and Slovenia has stopped Croatia from making formal advances in this process for almost a year now. However, on September 11 this year, Prime Ministers Kosor and Pahor announced an agreement in principle on how to proceed with solving the border dispute and simultaneously de-blocking accession negotiations. The Swedish Presidency has confirmed its readiness to support further talks on the border issue, to be resumed on October 2. In overcoming the heated arguments on both sides, and re-establishing an atmosphere of mutual trust, the leaders of the two countries have shown admirable statesmanship.

A key requirement for membership of the European Union is full cooperation with the war crimes tribunal for former Yugoslavia, ICTY. Since there have been no positive developments in this area, the relevant negotiating chapter – on Democracy and Human Rights – remains blocked. Croatia needs to credibly demonstrate that it is

making every effort to fulfill the needs of the Chief Prosecutor. Concerted pressure from the EU and US is advisable on this issue.

In Macedonia – or the **FYR Macedonia** - we are encouraged by this year's presidential and local elections which according to observers met most international standards.

EU relations with FYR Macedonia have intensified steadily over the past few years. In 2004, a Stabilisation and Association Agreement came into force, and the year after, FYR Macedonia was officially recognised as candidate for EU membership. End of this year, the EU is scheduled to lift the visa obligation for FYR Macedonia.

For opening accession talks, eight benchmarks must be met. FYR Macedonia must, inter alia demonstrate proper implementation of judicial and police reforms, anti-corruption legislation and measures to ensure a depoliticised civil service. It is also essential that the authorities foster and facilitate a true political dialogue between the various groups in society. According to the European Commission, FYR Macedonia is close to fulfilling the benchmarks, and a recommendation to open accession talks may well be issued during the Swedish Presidency. FYR Macedonia should be rewarded for their reform efforts. The unresolved name dispute with Greece should not be an impediment to initiating negotiations. This is a matter which must be resolved bilaterally, under the auspices of the UN.

**Montenegro** has made impressive progress along its European integration agenda since declaring independence from the union with Serbia in June 2006. Encouraged by the EU, Montenegro's EU perspective has been quickly embedded in a series of formal agreements. The momentum continues as Montenegro submitted its formal application for EU membership in December 2008 and after a decision by the Council, a report is now being prepared by the European Commission that will be the basis for deciding whether Montenegro can become formally a candidate country for EU membership. At the same time, Montenegro is likely to be granted visa liberalisation

with the EU in the coming months. EU membership will be the logical conclusion of this process and the timing will largely depend on Montenegro's ability to carry out the necessary reforms and fulfill the criteria for EU membership.

**Albania** has been gradually moving towards European integration, a process that has received momentum in recent years. At the EU foreign ministers meeting in a couple of weeks' time, we hope to reach agreement to forward Albania's membership application to the Commission for its assessment.

However as the June 2009 elections in Albania have shown, the path to EU membership will not be easy: elections were marked by unfortunate political interference in the post-election process, as noted by the international election observers. Besides more efforts to meet democratic standards, Albania also needs to strengthen its public administration, reform the judiciary and more effectively fight organised crime and corruption.

**Serbia.** There is a stable, pro-EU government in place in Belgrade, which was elected in order to bring Serbia closer to the EU and it shows a new maturity and commitment in terms of fulfilling the obligations for EU accession. All EU Member States agree that in order for the Government to keep its credibility, the country must be allowed to make progress on its path towards the EU. As soon as the cooperation with ICTY is judged to be satisfactory, the contractual agreement for the accession process between Serbia and the EU will come into force. Progress has been considerable. This would also pave the way for a membership application towards the end of the year. In the meantime Serbia shows its EU commitment by unilaterally implementing the Interim Agreement of the SAA. Furthermore, we hope to be able to grant Serbia visa freedom as from early 2010.

**Bosnia-Herzegovina** – currently the main challenge – has expressed its intention to apply in the near future for membership in the EU. In fact, in a country that remains

deeply divided on many issues, the prospect of EU integration is one of the few unifying factors. There is however a major obstacle to this ambition. As long as OHR remains in place, a Bosnian EU membership application cannot be considered.

It is quite obvious for all of us that OHR cannot take Bosnia to where it wants to go. This is why it is so important that the country as soon as possible reaches a situation where the political landscape allows it to move from OHR to a reinforced EUSR, strengthening at the same time the local political ownership, when continuing to reform itself in accordance with the EU acquis.

The Bosnian SAA has been in place since June 2008. Part of that agreement includes a favourable free trade agreement with EU – the Interim Agreement (IA) – which has seen a rather satisfactory implementation. On the other hand, the progress in implementing key partnership priorities of the agreement has unfortunately been rather limited.

Only then and once the conditions have been met, can BiH make the transition from Dayton stabilisation to European integration. There is a window of opportunity to proceed with this transition before the 2010 elections. Otherwise, there is a considerable risk that Bosnia will be slipping behind the rest of the region.

In order to achieve this transition we need to have a joint EU-US action-oriented approach this autumn. We are working closely with the US to take steps in this direction.

Let me also say that outstanding constitutional reform in BiH neither is a precondition for OHR closure nor required in order to apply for EU membership. Nevertheless, it is an integral part of any efforts to create a functional state and will incrementally constitute a fundamental part of EU accession. Constitutional amendments must

therefore be brought into line with the European Convention on Human Rights in order to end the ongoing discrimination between constituent and non-constituent citizens of BiH.

Following the decision by NATO to conclude its SFOR mission, the European Union has since December 2004 been responsible for the international military presence in BiH through the operation ALTHEA currently deploying more than 2.000 troops in theatre, and if needed they will be reinforced. At some point EUFOR must be transformed to a non-executive mission with focus on training of the Bosnian forces. Any decision will be discussed thoroughly with the US. From our perspective it is of outmost importance that a decision on the future of EUFOR is synchronized with the ongoing efforts to move forward on the political issues in the country. For the EU Police Mission which operates in an advisory capacity, supporting the fight against organised crime is moving forward and remains an important priority.

**Kosovo.** A year and a half has passed since Kosovo declared its independence, and is now faced with the great challenges of building a democratic and multiethnic state. These challenges include decentralisation, rule of law, economic development, and engagement in regional and international fora.

Kosovo needs to build up long term capacity to assume responsibility over the rule of law. The EU Rule of Law mission in Kosovo, EULEX, can support this process. EULEX is a visible expression of the European Union's determined engagement for Kosovo. During its first almost 10 months of operation, EULEX has deployed in all of Kosovo and begun to implement its mandate. The American contribution is a crucial component of which the EU is most appreciative.

In such a complex political context, there are of course difficult challenges. In the north, EULEX is moving slowly to reestablish control over customs and to fully reopen the court in Mitrovica. The police in northern Kosovo continue to report to EULEX.

There is a fruitful dialogue with the authorities in Pristina on reforms regarding justice and police.

The EU remains committed to its long term engagement in the developments of Kosovo. The fact that the EU is divided about the status of Kosovo does not prevent a fully engaged approach as regards Kosovo's political and socio-economic development – in line with the European perspective of the region. It is clearly in the interest of the EU that Kosovo develops in accordance with the rest of the region. In October, the European Commission will present a study examining means to further Kosovo's political and socio-economic development. This study will hopefully provide a framework for concrete measures to be taken by Kosovo in order to move forward on its EU integration.

### **Conclusion**

Mr. Chairman, Mr. Co-Chairman, members of the Commission, thank you for giving me, as the Swedish Presidency of the EU, the opportunity to address you today.