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MISSION REPORT*

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I. CRITICAL DOMESTIC PARALYSIS IN BOSNIA AND HERZEGOVINA – FINDING THE WAY FORWARD

1. High-level Bosnian officials communicated a clear message to a delegation from the Defence and Security Committee of the NATO Parliamentary Assembly (NATO PA) during a visit to the country on 16-17 April 2018: Bosnia and Herzegovina needs the pull of a NATO Membership Action Plan (MAP) that is clearly moving forward to jolt the country from a protracted period of political and economic stasis.

2. The Sub-committee on Future Security and Defence Capabilities delegation consisted of 11 parliamentarians from seven different NATO member states from April 16-17. Over the course of the two-day visit, the delegation met with members of the parliament, the ministries of defence and foreign affairs, and the internal security services of Bosnia and Herzegovina, as well as members of civil society, regional NGOs, and the international diplomatic community. The delegation also paid a visit to the NATO/EUFOR Headquarters at Camp Butmir to meet with commanding officers.

II. BACKGROUND TO THE VISIT

3. Bosnia and Herzegovina (BiH) remains a fragile country in the wake of the devastating wars that ravaged the Western Balkans throughout the 1990s. From 1992-1995 the region witnessed Bosnia and Herzegovina's three major ethnic groups fight a devastating war that killed over 100,000 and displaced 2.2 million in the region and beyond. Serbs, Croats, and Bosniaks (Muslims) came to a fragile peace attempting to balance the ethnic groups' interests by a series of byzantine power-sharing formulas hammered out in the 1995 Dayton Peace Accords. As a result, there are two major political entities today comprising Bosnia and Herzegovina, the *Republika Srpska* (dominated by Serbs) and the Federation (dominated by Bosniaks and Croats). The Federation is the most complex as it consists of ten cantons, each with its own prime minister. The BiH presidency is rotated every eight months between a Serb, Croat, and a Bosniak.

4. Today, the country reports the highest youth-unemployment rate in the world, corruption undermines government effectiveness at all levels, and criminal networks use the area as a zone for all forms of trafficking. As a result, the region is experiencing one of the highest emigration levels in Europe as Bosnian youth see no real future at home. Further complicating matters is the growing political disharmony between the Federation and the *Republika Srpska*.

5. In the run-up to the October 2018 general elections, nationalist rhetoric stirred ethnic passions throughout Bosnia and Herzegovina; *Republika Srpska* leader Milorad Dodik even renewed calls for independence for his region. Political tensions were further complicated by calls for a review of the country's Election Law in the run-up to the October election. Under the existing law, the Bosnian Croat population believes it is not represented fairly, a status quo they believe violates the terms of the constitution. If there is no resolution to the questions surrounding the Election Law, it was feared Bosnian Croat parties would block the formation of a new government, thereby further paralysing the country.

III. REGIONAL AND BIH STRATEGIC OVERVIEW

6. The NATP PA delegation's discussions with the international community working at the political, economic, and military levels in BiH laid out a stark analysis of the state of the Western Balkans today – the long-standing Euro-Atlantic integration project for the Western Balkans is

on fragile footing, requiring renewed attention by the international community to stem the potential for the renewal of ethnic and confessional tensions in the region.

7. Regional officials and specialists told the delegation that the region is split between two key regional influences, Serbia and Croatia, which are pulling the Western Balkans in relatively opposite directions. The key issues challenging the region at the political and economic levels are well known: the ongoing question of the future of Kosovo; broad-based regional economic stagnation; and the dilemma of trying to stem brain drain as large numbers of educated youth seek opportunities abroad. The region's states are still young democracies, lacking the experience or know-how to deal with the challenges at home or in the region. Further, rampant corruption continues to hobble the ability to enact the necessary reforms and legislation to act decisively and effectively to move things forward.

8. NATO has a clear role to push for greater regional integration, but its message is increasingly clouded by the pull from other external powers, namely Russia. As such, NATO needs to strengthen its strategic-communications capacity in the region to ensure its core messages are clear and compelling. Currently, there are two states actively seeking Euro-Atlantic integration in the region – BiH and the former Yugoslav Republic of Macedonia*. As experts and analysts told the delegation: EU membership is the prize, NATO is the insurance policy.

9. The Euro-Atlantic integration story, however, is a hard one to sell, as both the EU and NATO are often seen as interfering and demanding, rather than listening to, understanding, and addressing local problems. As such, the broader messages of EU investment and NATO security lose out. Further complicating the issue, several regional experts noted, is the fact that regional media outlets are too closely aligned to political parties and business. This has translated into a region awash with powerful disinformation campaigns – often aided by external powers as well, again, principally Russia. As one analyst noted: “Regional memories are long; views of the past are now weaved into these disinformation campaigns of the present, which means a complicated understanding of where to go in the near future.”

10. BiH is key to understanding the complexity of the region and is a bellwether for regional stability and political trends. As an analyst told the delegation, “the Dayton Agreement was designed as a security bubble, not as a long-lasting political structure. It has remained, however, due to a lack of viable alternatives.” Challenges to tackle key security, economic, and political reforms remain. For example, the country is experiencing relatively solid economic growth, but this is challenged by extremely high rates of youth unemployment and, as a result, youth migration. As one analyst reminded the delegation, “Bosnia and Herzegovina currently has the highest youth unemployment rate in the world – a figure which should give us all pause here in Europe.”

11. While the EU is working to invest in solid and sustainable growth in the region through infrastructural and other investments, there is growing external competition for influence in the country from Russia and China – and these investments come with relatively fewer strings attached.

12. Still, as all interlocutors noted, BiH is a longstanding NATO partner, and a state-level consensus, though evolving and fragile, remains in favour of NATO integration. NATO is not the only show in town when it comes to security relations, and the Bosnians are in position to get what they can from whomever is offering it. This is why NATO needs to give the Bosnians a compelling roadmap. As one analyst told the delegation: “MAP activation is now a political football, in between the local political narrative and the longer-term interests. The Balkans are not the Baltics, it is a far more challenging arena in terms of geography, politics, and security.

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

The MAP is therefore an opportunity to show interest and to move things forward. The MAP is not membership; the country still has the right to decide." As such, the lesson drawn for the delegation was clear: the key to NATO's success in the region is through effective strategic communications to pitch its compelling message of security and the attendant opportunity for prosperity which can follow the necessary structural reforms that will result. Given the growing political tensions, the critical economic challenges, and the increasing efforts by external powers to pull BiH away from the Euro-Atlantic community, 2018 is an inflection point.

NATO and MAP

13. Bosnia and Herzegovina became a member of NATO's Partnership for Peace programme in 2006 and began an Individual Partnership Action Plan in January 2008. Later that year at the Bucharest Summit, BiH began more intensive dialogue with NATO, resulting in its official status as an aspirant NATO member state by the end of the year. In April 2010, NATO agreed to launch the official membership action plan upon the completion of specific pre-requirements; among these, the most notable is the still outstanding stipulation that the registration of all military equipment in BiH be registered to the central state government*. The process remains stalled.

14. The registration of all military equipment throughout BiH territory is stalled due to disagreements about the process between the Federation and the *Republika Srpska*. As an NGO analyst told the delegation: "There is a clear open opposition to NATO among ruling parties in *Republika Srpska* and they all maintain they will follow the military-neutrality line put forward by Serbia." He continued by noting there is an absolute stalemate in BiH between the two broader communities and talk of finding an unifying issue to move things forward, such as MAP, is unlikely. By way of example, he said that in 2018 support for NATO membership in *Republika Srpska* had fallen as low as just 7%, from about 40% back when the country began the process of moving closer to NATO in 2006.

15. Still, as members of the NATO Integration Process Committee at the BiH Parliament told the delegation, the most recent 5-year plan to adapt the force posture for the armed forces of BiH indicates there are serious efforts in process and planned to complete the military equipment registration process. As Deputy Minister of Security, Mijo Kresic told the delegation: "There are 57 total military sites, of which 32 have been registered, so we are clearly making progress." He continued by stating, "the [Federation] presidency has full consensus and it is in everyone's interest to activate MAP."

16. Unfortunately, no members of the government from the *Republika Srpska* participated in the meetings at the parliament, leaving the message of the *Republika Srpska* to be interpreted by Federation parliamentarians, as well as the international community working in the region and local NGO representatives. As one NGO representative said quite bluntly: "It has been eight years and we are still in the same place; not a single defence property in the *Republika Srpska* has been registered to date." As several Bosnian parliamentarians stressed to the delegation – MAP is not NATO membership; and there is a BiH-wide consensus that MAP will help with the necessary internal reforms to push forward crucial defence-institution reforms throughout the country. As Nikola Lovrinovic, Head of the Bosnia and Herzegovina NATO PA delegation, told members of the DSC: "The *Republika Srpska* has reservations about NATO, and we respect this – but MAP is not membership, but rather a key to all of us moving this country forward."

17. Members of the Bosnian government as well as the international community working in BiH were all in agreement about the power of moving BiH forward with MAP, but many disagreed about the timing; particularly in light of the upcoming elections this October. As noted

* The pre-MAP conditions for BiH have become known more commonly as the Tallinn Criteria.

above, there is a risk that if a new Election Law is not passed before October, there will be further protracted government paralysis.

NATO Summit Declarations Regarding BiH – Brussels Summit, July 2018

18. The NATO Summit declarations noted the Alliance's continued commitment to the "territorial integrity and sovereignty of a stable and secure Bosnia and Herzegovina". Notably, the declarations welcomed the "substantial progress in the registration of immovable defence properties" by BiH authorities to meet the long-standing Tallinn requirements, as well as the submission of the first Annual National Programme. The declarations noted that, as a result of the decision by the BiH court system declaring all former Yugoslav defence properties to be the property of the state of Bosnia and Herzegovina, the registration of all immovable defence property in the *Republika Srpska* should be able to "proceed without delay." NATO remains committed to assisting Bosnia and Herzegovina as it continues to implement the defence reforms necessary to complete its MAP requirements.

National Elections – October 7, 2018

19. Despite fears of potential protracted government paralysis over the Election Law in limbo, such a scenario did not play itself out and the 7 October elections were held in relative calm. The EU High Representative of the European Union for foreign affairs and security policy, Federica Mogherini, and the European Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn, made a joint statement in support of the elections, noting they had proceeded in an orderly fashion, and welcomed the results as an outcome of the citizens of BiH practicing their democratic rights. Still, the elections were not without controversy, as the number of invalidated votes reached an unusually high number at approximately 500,000, and there were numerous allegations that deceased people were found to still be on the registry of voters.

20. The results of the elections, however, have been largely accepted in the nation and the new government(s) has(ve) been formed. The principal takeaways were the following. The Bosniak party SDA maintained its hold on power; Milorad Dodik's SNSD party in the *Republika Srpska* consolidated its hold on power; and there was a surprise election of Zeljko Komsic to the presidency over the nationalist candidate, Dragan Covic: Mr Komsic thus shares the BiH presidency with the Bosniak Sefik Dzaferovic (SDA) and the Serb Milorad Dodik (SNSD).

NATO PA Support for BiH

21. The DSCFC brought a message of support and encouragement from the NATO Parliamentary Assembly to Sarajevo. NATO member state parliamentarians consistently reminded their interlocutors of the need for real action to move the stagnating country forward. As DSCFC Chairman Joao Rebelo (Portugal) told his Bosnian peers: "We see further integration of Bosnia and Herzegovina into the Euro-Atlantic community as the only means by which this region will be able to overcome the current political and economic challenges." Real political and economic stability is a must for the country to finally take root and become a contributor to regional stability. As such, parliamentarians pushed their Bosnian colleagues to work harder to find the compromise necessary to overcome the challenges facing the country, from the short-term hurdle of the Election Law reform to the longer-term challenge of finding compromise through dialogue between the two broader communities about a way forward for the entire country, particularly on the question of MAP.

22. During the visit, NATO PA President Paolo Alli (Italy) told Bosnian parliamentarians: "The NATO PA has always been consistent in its support of an active MAP for Bosnia and Herzegovina." President Alli continued by noting his desire to see renewed focus by Bosnian lawmakers on critical defence-sector reforms necessary to activate the BiH MAP, particularly

on the issue of defence property registration and institutional corruption in areas such as procurement.

23. The NATO PA engages regularly with the Western Balkans in general and with Bosnia and Herzegovina in particular via a range of outreach initiatives, from Rose-Roth seminars to parliamentary visits. In Bosnia and Herzegovina, all activities have the collective aim of helping the country move forward with the necessary political and security reforms to bring lasting peace and stability to the region via such mechanisms as effective parliamentary democracy, transparent and effective government institutions, and broad-based inclusive security-sector reform. The NATO Parliamentary Assembly looks to support those states seeking to become NATO Allies via its unique ability to offer parliamentary support and advice on such key issues as parliamentary oversight of the armed forces. In 2019, the NATO Parliamentary Assembly will hold a Rose-Roth seminar in Kosovo.

IV. SERBIA

24. The DSCFC delegation continued to Belgrade to visit with high-level Serbian interlocutors in government and parliament, as well as academics working with a non-governmental think tank. In addition to their parliamentary peers, the delegation met with Prime Minister Ana Brnabic Minister of Defence Aleksandar Vulin and Deputy Prime Minister and Minister of the Interior Nebojsa Stefanovic. Serbian President Aleksandar Vucic met with NATO PA President Paolo Alli for a bilateral meeting as well.

25. A significant takeaway from the delegation's visit to Belgrade was the spirit and willingness to continue strong NATO-Serbia cooperation. As many delegation members noted throughout their time in Belgrade, this high level of cooperation continues despite persistent misperceptions in Serbia of the Alliance and its regional role in the country. As the delegation learned, NATO political and military cooperation with Serbia is at its highest levels in decades. In fact, as several Serbian as well as international interlocutors stressed, Serbian military cooperation with NATO far exceeds that with any other organisation or nation state. Despite this reality, all Serbian official government and parliamentarian interlocutors reiterated a firm position that Serbia remains steadfast in its policy of military neutrality. As a result, it was often noted, Serbia prefers to maintain its current level of partnership with the NATO, dispelling any notions among delegates that Serbia may be seeking ever-closer partnership with NATO, or even, one day, move to seek membership in the Alliance.

26. In return, members of the NATO PA delegation noted their support for Serbia's sovereign decision to remain militarily neutral and encouraged Serbia's continued efforts to join the European Union. Delegation leader and DSCFC Chairman Joao Rebelo reassured his Serbian parliamentary peers, during a meeting with the Chairmen of the Serbian Parliament's Committees on Foreign Affairs, Defence, and Internal Affairs and European Integration, by stating: "The NATO PA respects the choices Serbia makes with regards to both NATO and the EU and we applaud Serbia's strong, positive role in international security." Mr Rebelo continued by stating he is "encouraged by the closer relations between the Serbian parliament and the NATO PA, which is increasingly important as Serbia takes a leading role in regional peace and stability today."

27. Since Serbia's accession into the Partnership for Peace programme in 2006, NATO and Serbia have strengthened the breadth and depth of their partnership. Serbian interlocutors stressed a shared interest in peace in the Western Balkans as a key driver in this strong relationship. As a result, 2015 witnessed NATO and Serbia deepen their security cooperation via Serbia's agreement to an Individual Partnership Action Plan (IPAP). The IPAP is a significant step for NATO-Serbia relations as it entails not only stronger political consultation

between NATO and Serbia, but also enhanced practical cooperation both on the ground in the region and in joint efforts to further international peace and security.

28. Serbian officials were quick to point out that, despite its desire to remain militarily neutral, Kosovo remains a key security issue. As Serbian Defence Minister Aleksandar Vulin told the delegation: “The independence of Kosovo remains unacceptable to us, and we therefore remain opposed to the idea of the creation of a standing army for Kosovo, which is prohibited by United Nations Security Council Resolution 1244.” Defence Minister Vulin continued by stating: “We thank NATO for maintaining peace and security in the region through the continued presence of KFOR.” NATO’s KFOR operation has been in place since the end of the 1999 conflict over Kosovo, where it maintains a secure environment and guarantees freedom of movement for all people throughout Kosovo.

29. Kosovo was a consistent key topic of conversation throughout the visit to Belgrade, often with an implicit (and even explicit) understanding that settling the Kosovo question was essential to unlocking the strategic goal of becoming an EU member state. As members of the Foreign Affairs Committee at the Serbian Parliament noted, “northern Kosovo clearly remains the largest hurdle to solving the problem. Over the past 5 years, Serbia has fulfilled its part of the Brussels Dialogue, while Pristina has not. Any further steps to further the independence of Kosovo are not viable and unwelcome, particularly the idea of a Kosovar Army.” Parliamentarians and government interlocutors alike stressed the fact that the Serbian regions in northern Kosovo should remain under Serbian administration, as guaranteed, they stressed, by UNSCR 1244. As one international interlocutor told the delegation during the visit: “Kosovo has become an obsession. Serbia has created an identity attachment to it and the perception of becoming a victim of the outcomes of the Balkan wars is only growing as a result.”

30. Serbia and NATO continued their strong levels of military cooperation throughout 2018. Serbian officials noted the country would participate in over 200 military exercises over the year and play host to several important regional exercises, such as *SRBIJA 2018*, which aimed to improve regional and international forces’ interoperability in international disaster response operations.

31. Despite such high-levels of cooperation, anti-NATO sentiment and misperceptions about the Alliance remain strong throughout Serbia. As Serbian Prime Minister Ana Brnabic told the delegation: “Before I came to office, I assumed the majority of our military cooperation was with Russia, but the numbers I saw shocked me – by far NATO is our most significant military partner and even our bilateral cooperation with the United States surpasses that with Russia.” While approximately 52% of the Serbian population support becoming a member of the EU, less than 20% support NATO. Public support for the EU would be expected to drop to the same levels as support for NATO if recognition of Kosovo’s independence was a condition for joining.

32. The delegation also learned about the status of Serbia’s current armed forces. Serbia spends approximately EUR 600 million annually on its armed forces, which equals about 1.48% GDP (there have been steady efforts to increase the defence budget in recent years). The total force structure today stands as about 24,500 – breaking down into about four functioning infantry brigades, an artillery brigade, and a Special Forces brigade. The budget breaks down to about 55% allocated to personnel costs, another 27% for operational expenses, while the remaining 18% is dedicated to investments.

33. Equipment for the forces remains mostly old former Yugoslav armour. The government is making an effort modernise the Special Forces’ capabilities via *Project 1500*. In addition, Belgrade is also in the process of evaluating plans to modernise its air force, dedicating approximately EUR 185 million to the effort*. Another EUR 100 million is also slated for broader

* Russia also recently gifted new MiG jets to Serbia.

modernisation across the services. Serbia also contracted to buy the Russian S-300 air-defence system.

34. As noted above, Serbia maintains an active exercise schedule with many different partners – from solid bilateral cooperation with the United States and Russia, across the Balkans, to significant multilateral cooperation with NATO. While Russia is Serbia's most significant military partner, Serbia still engages in ten-fold more exercises with NATO than with Russian forces. Internationally, Serbia contributes forces to a total of 9 ongoing operations (5 UN and 4 EU); its most significant role perhaps being its contributions to UNIFIL, MINUSCA, and the UN mission in Cyprus.

35. Serbia served as a key transit point during the 2015 migration crisis, as Djordje Milicevic, Deputy Speaker of the National Assembly of the Republic of Serbia, told the delegation: "Serbia handled the migration crisis through the Balkan route quite well – we saw over 1 million attempting to cross our borders in 2015; this is down to a trickle today – perhaps 5,000 remain in refugee centres across the country." When discussing those refugees that remained in Serbia, government interlocutors noted that Serbia is providing education, housing, and even citizenship to those who seek it. Deputy Speaker Milicevic noted that migration and a fresh new counterterrorism policy would be key areas of focus of Serbia's upcoming national security strategy.

36. Many government interlocutors were quick to note concern over the potential link between migration and terrorism. Any concrete link between the two, however, was never mentioned. Still, as experts at the Belgrade Centre for Security Policy told the delegation, there is valid reason to be concerned about potential radicalisation of some of the more marginalised ethnic minorities residing in Serbia. As they told the delegation, about 50 Serbs travelled to Syria to fight for ISIS or the al-Qaeda offshoot, the al-Nusra front. The drivers for radicalization are particularly strong in parts of Serbia, experts noted, largely due to extreme socio-economic marginalisation of populations in areas such as the Sanjak region, which is comprised of a diverse range of ethnic minorities in Serbia, the most significant being Bosniak and Albanian Muslims. The delegation was told that about 100 persons in the Sanjak region were identified as likely or certainly radicalised, with about another 1,000 others identified as having a high potential for radicalisation.

37. Several government officials, however, did state that they were concerned about how Kosovo was handling the issue of migration and radicalisation. Several noted that Kosovo had been the region in Europe that sent the largest number of foreign fighters to the civil war in Syria on a per capita basis. Further, many also mentioned that the region was the chief source of illicit trafficking of all forms throughout the Balkans. The criminal networks exploiting the lax government control of the region or even its complicity in illegal trafficking, they noted, took advantage of the chaos caused by the migration crisis to exploit vulnerable refugees. As such, many government interlocutors stressed the importance of increased efforts from all Balkan states and the EU to help reduce the writ of Kosovar criminal networks.

38. When discussing the state of the Serbian economy, most interlocutors sounded a surprisingly positive note. Economic stabilisation efforts by the government over the last decade have been largely successful – even resulting in budgetary surplus for the government. Many government officials, as well as the international community, noted the increasing amount of foreign direct investment (FDI) into the country – a range of investment is coming in from key international players like the EU, Russia, Turkey, the UAE, India, and China. As Prime Minister Brnabic told the delegation, "over 60% of Serbian trade and incoming FDI is with EU member states." Prime Minister Brnabic noted that Russia is also a large trading partner with Serbia, with all of Serbia's gas supply currently coming from Russian suppliers. Ms Brnabic noted that, while Serbia is totally dependent on Russia now for gas, the country is looking to diversify its supply. Further, she noted, while there is much discussion about

Chinese infiltration into the Serbian economy, she noted that the country was only really involved in a 'few' infrastructural projects and did not have the reach some members of the delegation believed it did. When mentioning Turkey, she noted that Turkish investors were helping create a broader reaching economy via their outreach into more rural, lesser-developed regions.

39. Ms Brnabic concluded her remarks on the economy by saying Serbia "is looking to move from being an investment-driven economy to become an innovation-driven economy." As the delegation learned throughout the visit, much of this will depend on how the government is able to manoeuvre its closer cooperation with and even eventual adherence to the European Union. Progress in this venture, however, will require Serbia find a durable solution to the Kosovo question.

40. In addition to its meetings with members of the Serbian parliament, the Prime Minister and the Minister of Defence, the NATO PA delegation also met with representatives from a local think tank. The delegation also witnessed a dynamic demonstration from Serbia's River Flotilla Command forces in Novi Sad.