



NATO Parliamentary Assembly

SUB-COMMITTEE ON FUTURE SECURITY AND DEFENCE CAPABILITIES

THE THREE ADRIATIC ASPIRANTS: CAPABILITIES AND PREPARATIONS

DRAFT REPORT

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* Until this document has been approved by the Defence and Security Committee, it represents only the views of the Rapporteur.

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I. INTRODUCTION

1. The enlargement of the North Atlantic Treaty Specialised (NATO) by adding new member states has traditionally served both the purpose of extending stability into potentially conflict-prone areas by bringing them into the Alliance, as well as fostering dramatic democratic and free-market reforms in aspiring members. Since the inception of NATO in 1949, its ranks have swelled from 12 founding member states to today's 26. Enlargement of the Alliance is based on Article 10 of the Washington Treaty, which states that membership is open to any "European State in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area."

2. On the principle that the military, economic, and political integration of emerging democracies into European structures leads to lasting stability and security in Europe, the Alliance has repeatedly stated that "no European democratic country whose admission would fulfil the objectives of the [North Atlantic] Treaty will be excluded from consideration." At the Riga Summit in 2006, NATO's Heads of State and Government again reaffirmed that "NATO remains open to new European members under Article 10 of the North Atlantic Treaty."

3. Today, three countries are in NATO's "waiting room", the Membership Action Plan (MAP) programme: Albania, Croatia, and the former Yugoslav Republic of Macedonia*. These countries formally declared their intent to seek NATO membership in 2000-2001. It is widely expected that these three countries are next in line to proceed through NATO's open door. Indeed, the Declaration of the 2006 NATO Summit in Riga stated that "at our next summit in 2008, the Alliance intends to extend further invitations to those countries who meet NATO's performance based standards and are able to contribute to Euro-Atlantic security and stability." This was seen as a strong signal to the MAP countries that their aspirations for NATO membership stand at a major crossroads.

4. The NATO Parliamentary Assembly has, for its part, sought to encourage the reform process in these three countries by proclaiming its support for their NATO membership aspirations. As recently as in the May 2006 *Declaration on Support for NATO Membership for Albania, Croatia, and the Former Yugoslav Republic of Macedonia*, the NATO PA recognized the significant progress made by the three countries and indicated that if reforms continued, an invitation to join NATO should be seriously considered no later than 2008. The Declaration also pledged to render all possible assistance to the three countries in achieving their goal of NATO membership. It is particularly timely, then, for this Sub-Committee to review the current state of these three countries' preparations for possible membership.

5. This report has been prepared for the Sub-Committee on Future Security and Defence Capabilities. The Sub-Committee's main purpose is to examine issues that will affect the Alliance's collective security in the coming years, including NATO's partnerships with countries that aspire to join the Alliance. Your Rapporteur visited Albania, the former Yugoslav Republic of Macedonia and the newly independent Montenegro in April 2007¹. Along with many other NATO PA Parliamentarians, he also participated in a NATO PA Rose-Roth Seminar in Dubrovnik, Croatia, in June 2007, which featured discussions with experts and senior officials on the question

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

¹ The Secretariat report of that trip (114 JOINT 07 E) is available at the NATO PA website, under Mission Reports 2007. For a comprehensive review of Montenegro's progress, see General Report, Committee on the Civil Dimension of Security, NATO Parliamentary Assembly, 2007 (160 CDS 07 E). "Independent Montenegro: Early Assessment and Prospects for Euro-Atlantic Integration," by Rapporteur Vitalino CANAS (Portugal).

of NATO's potential enlargement.² Information gathered during these activities, as well as input from the Assembly's Spring Session in Portugal, resulted in a number of updates to this report.

6. One would be hard pressed to find any NATO officials expressing doubt that the future of the Balkan region lies in Euro-Atlantic integration. A strategic judgement has clearly already been made that anchoring the Balkans, arguably NATO's principal preoccupation since the end of the Cold War, into Euro-Atlantic structures will help prevent a resurgence of conflict there and anchor the Balkans into a more stable and predictable environment. The Alliance's main decisions have thus focused on how best to achieve this goal, and whether and when full membership in the Alliance is warranted.



Source: Jeffrey Simon, "Preventing Balkan Conflict: The Role of Euroatlantic Institutions," Strategic Forum No. 226, Institute for National Strategic Studies, National Defense University, April 2007, <http://www.ndu.edu/inss>

7. While NATO does not have a 'checklist' to judge aspirants, and any membership invitation is the result of a case-by-case political decision made at the highest levels of NATO member-state governments, it is generally recognized that countries aspiring to NATO membership are broadly expected to attain certain political and economic benchmarks. Aspirants must settle international, ethnic or external territorial disputes by peaceful means. Aspirants are also expected to demonstrate a commitment to human rights and the rule of law, to the democratic control of their armed forces, and to promoting stability and well-being. Defence sector reforms are to be focused on maximizing an aspirant's ability to contribute to collective defence and to the Alliance's new missions. These reforms and intentions must also be backed by sufficient spending on defence, which would allow aspirants to meet the commitments inherent in future membership.

8. While all three MAP countries have made significant progress towards NATO's performance based standards, the Allied Heads of State and Government have pointed out specific areas in which each of the MAP countries must improve in order to receive a membership invitation.

² The Secretariat report (153 SEM 07 E) on the 66th Rose-Roth Seminar on "South East Europe: Unfinished Business," held in Dubrovnik, Croatia from June 24-26, is available at the NATO PA website, under Seminar Reports 2007.

Albania needs to continue its work on rule of law and defence reform, particularly in fighting corruption and organised crime. Likewise, the former Yugoslav Republic of Macedonia should show continued progress on political, economic, rule of law, and defence reforms. Croatia should not only sustain progress on reforms, but also should work to improve support for NATO accession in public opinion.

9. Progress in these areas would enhance the chances of a 2008 invitation to all three countries. NATO membership would not only securely anchor these three countries within the Euro-Atlantic community, but could create political impetus for the rest of the region to push strongly for reform as well. However, stalled momentum or backsliding in the reform process could still endanger these countries' NATO membership hopes.

10. It should be noted that this report's format and consideration of the three MAP countries at once is not meant to imply a comparison among them. Nor is it intended to imply that they will necessarily be considered as a group by NATO when making future decisions on enlargement. NATO has been very clear that decisions on enlargement are made on a country-by-country basis. The outcome of those discussions remains, to a large degree, in the hands of the candidate countries themselves, and their ability to demonstrate that their ongoing reform processes have made it the right time for NATO to extend invitations to them to join the Alliance.

11. The three MAP countries do, however, share significant similarities. All three countries are contributing to NATO operations, most notably the NATO-led International Security Assistance Force (ISAF) in Afghanistan. They regularly participate in military exercises with NATO. Albania and the former Yugoslav Republic of Macedonia both have NATO military Headquarters to assist them in these efforts. All three countries are also seeking membership in the European Union (EU). Croatia and the former Yugoslav Republic of Macedonia are official candidates for membership in the EU; Albania signed a Stabilization and Association Agreement (SAA) with the EU in 2003.

12. The defence reforms in all three countries are centred on standing up small, professional, modern, deployable forces that can work in the NATO context. In the main, most benchmarks of defence reform demanded by NATO have been met, including national strategic documents, legal frameworks, and the restructuring and downsizing of forces.

13. Furthermore, the countries have undertaken co-operation with each other as part of their reform process. NATO has looked favourably on such regional activities between Albania, Croatia, and the former Yugoslav Republic of Macedonia. Most notably, all three countries take part in the Partnership Commission of the Adriatic Charter – leading to their informal designation as the "Adriatic Three" (A-3). In May 2003, the A-3 and the United States signed the Charter in order to reinforce the cooperative relationship. In that document, the United States pledged support for the full integration into the transatlantic community of the three Adriatic states, which, in turn, affirmed their commitment to the values and principles of NATO. The Charter has recently invited Bosnia and Herzegovina, Montenegro and Serbia as observers.

14. While the Adriatic Charter countries have dedicated themselves to ambitious defence reforms, all face similar political difficulties inherent in implementing those reforms, stemming from their relatively high expense, especially in the context of already strained economies. Political consensus on a long-term reform plan, precluding short-term political deviations, is a *sine qua non* of carrying these expenditures and reforms through.

II. A SHORT REVIEW OF THE MEMBERSHIP ACTION PLAN

15. Albania, Croatia and the former Yugoslav Republic of Macedonia are the only three current participants in NATO's Membership Action Plan (MAP). The MAP is a NATO programme of advice, assistance and practical support tailored to the individual needs of countries wishing to join the Alliance. The MAP is not simply a checklist for aspiring countries to fulfil, but instead is a process which helps these nations focus their preparations on meeting the goals and priorities set out within it and provides a range of activities designed to strengthen each country's candidacy. NATO launched the programme at the Washington Summit in 1999, with the aim of ensuring that countries wishing to join the Alliance at that time would be prepared to do so as efficiently and quickly as possible. MAP played an integral part in preparing the seven countries that joined NATO in 2004 for the duties and obligations of membership in the Alliance, and likewise continues to help the current aspirants enact their own reforms. Aspirants must participate in Partnership for Peace (PfP), as well as in the Euro-Atlantic Partnership Council (EAPC), in order to take part in MAP.

16. Even though all previous NATO aspirants that have participated in MAP have become NATO members, senior NATO officials have gone to great lengths to make sure it is widely understood that participation in the MAP process does not guarantee NATO membership. Their public pronouncements have had to strike a careful balance between encouraging statements intended to show aspirants the proverbial light at the end of the tunnel, and not making firm commitments on inevitability or timing of possible offers of membership.

17. MAP is an intense process for aspirant countries, requiring serious dedication to reform but also offering assistance from NATO and individual Allies in executing this reform process. Each autumn, MAP countries must draw up an Annual National Programme (ANP) that lays out that country's plans for reforms for the upcoming year. The ANP covers five chapters: Political and Economic issues, Defence/Military issues, Resource issues, Security issues, and Legal issues. The ANP is then reviewed in a (now) 26+1 format in the Senior Political Committee, and subsequently forms the basis of discussions for NATO staff visits to the country after the new year. These visits are followed by an assessment report and an annual meeting between individual aspirants and the North Atlantic Council. Finally, results of these discussions are reported to Foreign and Defence Ministerial meetings in the spring. This entire process then begins again in the fall.

18. This annual process of in-depth review and consultation allows NATO to track aspirants' progress in a sustained manner over time. No less importantly, it also provides clear and direct indications and feedback to the aspirants on what NATO expects from them.

III. ALBANIA

19. Euro-Atlantic integration has been Albania's strategic priority since the early 1990s. In spite of its somewhat slowly paced implementation of reforms, the country has remained highly committed in its endeavours to attain this goal, which is based on overwhelming support of the public opinion and consensus among all political parties. In 1992, Albania joined the North Atlantic Co-operation Council (the precursor of today's Euro-Atlantic Partnership Council) and, in February 1994, it was admitted to the PfP. Through participation in PfP the Albanian military (also known as the Albanian Armed Forces or AAF) has had the opportunity to familiarize itself with NATO working procedures, enhance its interoperability with NATO nations and other countries in the region, and develop a defence planning process that approximates that of NATO.

20. Albania has played a very helpful, moderating role in the region, especially with regard to Kosovo. Despite its relatively limited military capabilities, Albania has made important

contributions to NATO-led operations and has confirmed its potentially critical geostrategic position for supporting these missions. It provided invaluable logistical support to KFOR (Kosovo Force) during the 1999 Kosovo crisis, facilitating its access and operation on Albanian territory, and accommodated almost half a million of Kosovar refugees. Albania's contributions to other peacekeeping operations have included the international Stabilisation Force in Bosnia (SFOR), the International Security Assistance Force (ISAF) in Afghanistan, and the international stabilisation force in Iraq. At the time of writing, Albania was in discussions with NATO to support Operation Active Endeavor, NATO's anti-terrorist operation in the Mediterranean.

A. SECURITY SECTOR ANALYSIS

21. The prospect of NATO membership has served as an important catalyst for Albania's military reform. The country has responded favourably to NATO's requests for military transformation; a NATO Headquarters in Tirana has assisted the reform process. The Albanian Defence Ministry continues to implement reforms aiming at downsizing, rationalising and fundamentally restructuring its army that, according to the "National Military Strategy Projects" and the MAP, would ultimately be reconstituted into a small, highly mobile and well-trained force in line with NATO standards of operation. These changes will be costly. The Prime Minister, Sali Berisha, recently discussed with a NATO PA group his country's efforts to increase its defence budget so that it conforms to the informal NATO target of 2% of GDP. He noted that it would contribute to the case for Alliance membership and attract foreign investment. The Defence Minister, Mr Fatmir Mediu, added that the 2% target would likely to be reached in 2008.

22. Key changes were made to Albania's force structure from 1 Jan 2007, when all units were consolidated under three commands; a Joint Force Command, a Training and Doctrine Command (TRADOC) and a Support Command. In 2006, reform plans focused on increasing by 50% the professional component of its forces. It is not always obvious to a small country to determine which contributions it can make to NATO's overall capabilities. Development of "niche capabilities" that would be able to complement capabilities NATO already possesses, has been widely seen as the most productive avenue for the MAP aspirants. Analysts have in this respect praised Albania for developing a deployable Rapid Reaction Brigade, as well as other deployable capabilities, including Special Operations forces, Military Police, explosive ordnance disposal experts, engineers, as well as medical support.

23. The current force strength of the AAF is estimated at approximately 16,000 troops. By 2010 – the target for complete modernisation – its intended force will be reduced to 12,000. Ground forces are planned to constitute a core element of the AAF, which will be reorganised into three distinct entities: a Rapid Reaction Brigade; a Commando Regiment and an Area Support Brigade. Although the nominal mission of the Land Forces remains to "protect the sovereignty, territorial integrity and constitutional order" of Albania, its intended front-line formations suggest a greater emphasis on capabilities for contingency operations. The reserve component was eliminated.

24. The maritime force structure is directly subordinated to the Joint Force Command, as a naval brigade which is presently estimated at around 1,100 personnel. The emphasis for future reforms is on improving the Navy's capacity to perform coastguard missions, maritime surveillance, environmental protection, and trafficking interdiction.

25. In the early 1990s, Albania's Air Force was completely outdated and required serious reform. It had only one functional airfield and no combat helicopters. The restructuring process of the Air Force (1,370 personnel) has focused on "a national air space surveillance system", defensive abilities, and helicopter backup for the Land Forces and the Navy, as well as humanitarian missions. Albania's Air Force Headquarters has become the Air Force Brigade Headquarters, which is subordinate to the Joint Force Command. All fixed-wing fighter aircraft have been eliminated. The Helicopter regiment is being re-organised. In 2003, Italy, Albania's close ally,

supplied the Air Force with 14 new helicopters. This acquisition, as well as improved airfields, has increased - at least at the regional level - the Air Force's deployability. Although at present the Air Force's overall capability - and its ability to contribute militarily to the Alliance - remains marginal, its course of reform should enable it to provide, in the near future, regional peacekeeping assistance.

26. Since the inception of the military reform process, Albania has embarked on the process of elimination of old military systems. It has eliminated all Russian-made MiG aircrafts and intends to sell its Chinese tanks and helicopters, outdated fighters and its four Russian submarines. The Defence Ministry has also decided to reduce the number of assault weapons by reconfiguring and reselling them as hunting rifles. A number of bilateral programmes have assisted Albania in the elimination of outdated firearms and ammunition.

27. Allies have played a critical role in the reorganisation and modernisation of the AAF, particularly the United States, the United Kingdom, Turkey and Italy. For example, Italy donated \$2.4 million worth of military equipment to the AAF in December 2005. Albanian authorities and the US Department of Defense have forged a solid working relationship, with assistance totalling some \$30 to \$40 million per year, a number of joint training operations, and the provision of educational resources to Albanian military and civilian officials. Albania's paramilitary troops have also been involved in exercises organised by the US Department of Justice.

28. The process of the AAF's enhancement of interoperability has also been facilitated through Albania's participation in many Alliance activities. Albania took part in nine multinational PfP exercises in 2006, as well as several "in the spirit of PfP" exercises. Overall, Albania has participated in dozens of NATO/PfP activities annually, including numerous conferences, courses, seminars and other training and educational activities. Nine of these activities were hosted by Albania.

29. Finally, a number of measures have been taken in order to ensure democratic control and legislative oversight of the armed forces, a top-level NATO priority. Even though in the post-communist era, control of the military has been the domain of civilian authorities, the defence minister has frequently applied it through the exercise of personal power. Progress on this front has led to what appears to be institutional democratic control of the military; certainly, the government's commitment to promote accountability and greater transparency in security issues has not been questioned. Albanian defence officials have pledged to outside observers their intent to engage in substantial dialogue with elected representatives, in order to provide them with full transparency on both their strategy and funding. However, it remains unclear how far parliamentary oversight has come, since earlier days were characterized by a "rubber stamp" attitude on defence matters. Indeed, a recent report by the Bonn International Centre for Conversion (BICC) and the Geneva Centre for the Democratic Control of the Armed Forces (DCAF) points to several deficiencies. The BICC/DCAF report indicates that even though the Parliamentary Assembly is constitutionally designated as the supreme authority on defence issues, approving all strategic documents and defence policy and controlling the armed forces, "the Assembly is only pretending to exercise oversight over the security sector and performs its functions very poorly. [...] This is mainly attributed to the limited expertise of many parliamentarians on the issue of defence, as well as a lack of interest." During its April 2007 visit, this Sub-Committee was briefed on an ambitious programme of parliamentary oversight of the security sector, which included legislation, steering the work of relevant ministries, and enhancing the public debate in security issues.

B. BROADER POLITICAL CONSIDERATIONS

30. The prospect of Euro-Atlantic integration has also served as a catalyst for encouraging Albania's broader democratic transition. In recent years, the country has undergone significant progress in political, economic and social spheres. The Stabilisation and Association Agreement, signed with the EU in July 2006, confirmed Albania's achievements and signalled the first step towards European Union membership. The country nonetheless continues to face a number of severe economic problems. An impressive fiscal consolidation in 2005-2006 characterized by 5.5-6% real GDP growth, a shrinking budget deficit (-3.2%) due to increasing intake from custom duties (13.5%), and a low level of inflation (2-2.4%) could create space and stability for the reform process to continue. However, a quarter of the Albanian population lives beneath the poverty line and, according to official statistics, 14.2% of the potential labour force is unemployed. In 2005, Albania's public debt reached 55% and the trade deficit was estimated at 21.8% of GDP. Albania's informal economy, which accounts for a half of the country's GDP, has been a tremendous impediment to economic reform and foreign direct investment. Despite these challenges, Albert Rakipi, Head of the Albanian Political Association, told the Sub-Committee in April 2007 that he judged the growing Albanian economy as capable of supporting the costs of NATO membership.

31. Corruption is considered to be Albania's biggest social concern by the majority of Albania's population, ranking much higher than unemployment and local incomes. Transparency International ranks the country at 111th place out of 133 countries. Although the centre-right Democratic Party of Prime Minister Berisha fought and won the 2005 election on an anti-corruption platform, Albania's past continued to colour outsiders' views of a renewed mandate for the Prime Minister, whose Presidency in the mid 1990s was marred by a severe economic and political crisis and violent social unrest. In this area, observers suggest that it is vital to address significant reforms in the tax and customs sectors – two areas especially prone to corruption.

32. Organised crime continues to maintain a substantial foothold in the country. Ethnic Albanian criminal organisations, principally engaged in human trading and the trafficking of weapons, illegal immigrants and narcotics, have been known to operate far beyond Albanian borders. Upon taking office in 2005, the new government prioritised the fight against corruption and organised crime, initiating legal and administrative reforms towards that end. The opposition, however, condemned many of the government's measures as unconstitutional and its general approach as an attempt to undermine independent institutions. The prevalence of organised crime undermines national security and could potentially cause problems for the Alliance should Albania become a member.

33. Another major concern for Albania's nascent democracy is its electoral practices. The 2005 parliamentary election – commended by NATO Heads of State and Government in the Riga Declaration as an improvement over previous elections – highlighted the improvements as well as the problems in democratic governance. Major achievements in this area have included consensual amendments to the electoral code (with mediation by the Organisation for Security and Co-operation in Europe) and peaceful succession of power. However, the excessively protracted election process of 2005, the Socialist Party's allegations of perceived bullying by the Democratic Party governing majority, as well as accusations of political violence, suggest that Albania may have a long way to go before it could claim to have fulfilled internationally accepted standards of democratic elections. The February 2007 municipal elections displayed similar shortcomings and were described by international observers and European officials as falling short of international standards.

34. It is worth noting that some progress has been achieved in Albania's efforts to improve the organisation and transparency of the judicial system. A lot, however, remains to be done: the sector is plagued by low efficiency, political interference, and an inconsistently implemented legislative framework.

35. Edith Harxhi, Vice-Minister of Foreign Affairs of Albania, told the Assembly in June 2007 that Albania was doing its utmost to be invited to join NATO in 2008. Praising excellent regional

co-operation and high Albanian public support for NATO accession (which she cited as 94%), Mrs Harxhi also detailed the political, economic, legislative and social reforms Albania was undertaking. High-level priorities included ensuring free and fair elections, a new police law, empowering Parliament in the security sector, and a raft of laws on reforming the judiciary. She restated the Albanian commitment to spending 2% of its GDP on defence by January 2008, and to trimming its armed forces. Mrs Harxhi suggested that Albania is making progress in the fight against organised crime, citing measures such as the unpopular but effective moratorium on speedboat operation passed in December 2005, and the arrest of the mayor of a coastal town on charges of illegal trafficking and organised crime; arrest that was notable because he was also a member of the ruling majority party.

36. This Sub-Committee came away from its April 2007 visit to Albania impressed by the progress made in Albania's military re-specialised and reforms, as well as its ongoing contributions to NATO operations and the degree of public consensus on its NATO aspirations. Independent observers 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. 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. While significant progress remains necessary in several areas, Albania appears to be addressing the arduous but indispensable tasks head-on. Barring backtracking or stagnation in the reform processes or major political setbacks, the delegation was optimistic about Albania's preparations for membership.

IV. CROATIA

37. Croatia has been considered by some analysts as being in many ways the "closest" to NATO membership of the MAP countries. Croatia boasts a modern Constitution and laws; democratic institutions are generally functioning; the economy is recovering; and there has been significant progress in defence reforms. This Sub-Committee already had a positive impression in March 2004 when visiting Croatia to assess its progress towards fulfilling both the political and military criteria for becoming a NATO member. The Sub-Committee was at that time generally impressed with Croatia's reforms, and found that Croatia was on the way to being able to make a proportional contribution to NATO operations.

38. Other positive signs for Croatia abound: NATO's Heads of State and Government praised Croatia's progress towards membership in their Declaration from the 2007 Riga Summit, hailing the "significant progress in furthering political, economic, rule of law and defence reform" – and clearly laying down the expectation that the progress on reforms would be sustained. Senior NATO officials, among them the Secretary General, have also begun publicly characterizing Croatia as a net provider of security rather than a consumer. Very positive statements have also been made regarding Croatia by some member states, perhaps the most forward-leaning of which made by US President George Bush in October 2006, when he stated that "it's in the world's interest that Croatia join NATO, as well as the European Union. To that end, when I go to Riga, I will make the case that Croatia should be admitted. It seems like a reasonable date would be 2008."

39. Croatia joined the Partnership for Peace (PfP) programme in May 2000. Two years later, it began the MAP process, and it is now in its fifth annual cycle of MAP preparations. Croatia signed the Adriatic Charter in 2003, which pledged its commitment to Euro-Atlantic values and its intent to increase regional co-operation with an eye towards integration into NATO and other Euro-Atlantic institutions.

40. Since 2002, Croatia has contributed to the International Security Assistance Force in Afghanistan, currently the Alliance's top priority. In 2006, Croatia tripled its personnel number in Afghanistan, from 50 to 150; this number had risen to about 200 in 2007 and according to Croatian officials may rise as high as 300 in 2008. Croatian contributions have included Military Police and investigators, police dogs, infantry, and staff officers. In Afghanistan, Croatia also takes part in the Combined Albanian-Croatian-Macedonian Military Medical Team, which was coordinated through the Adriatic Charter. A small number of Croatian diplomats are also currently serving in PRTs (Provincial Reconstruction Teams). Croatia has also participated in a wide panoply of NATO exercises and training activities through its Individual Partnership Program, including more than 250 activities in 2006 alone.

A. SECURITY SECTOR ANALYSIS

41. The restructuring of Croatia's Armed Forces (CAF) only became possible after the 2000 elections, which definitively ended the era of Franjo Tudjman and that of his particular view of the CAF. With entry into MAP in 2002, Croatia began preparing its military to meet NATO standards. This has involved moving the military from a focus on territorial defence to a view towards collective security and interoperability. The Defence Ministry of Croatia informed the NATO PA in 2006 of Croatia's goal to have 40% of Croatia's armed forces deployable for international peace support operations, and of Croatian plans to freeze conscription by 2010. Other plans include the development of niche capabilities, for example the standing up of a special operations platoon, an engineering de-mining platoon and two helicopters for NATO-led operations. Croatia plans also to train up to NATO standards a motorised infantry company, an NBC (Nuclear Biological and Chemical) defence platoon for decontamination, and an engineering platoon.

42. Efforts at reforming Croatia's military are hampered by a difficult legacy of strained civil-military relations, institutional rivalries and politicisation of the military. The Croatian Armed Forces were formed from scratch at the beginning of the 1990s, out of thousands of civilian volunteers. This "People's Army" emerged from the conflicts with a high degree of public support, and with an engrained preference for strategies of territorial defence, including preservation of its traditional force structure and heavy weaponry. This legacy went unchallenged during Tudjman's Presidency.

43. The new Croatian Constitution of 2001 redefined the roles of the President, Parliament and Government in the conduct of defence affairs, notably restricting the exclusive power of the President and abolishing the powerful Presidential Council of National Defence. It increased the Prime Minister's power of counter signature, and required parliamentary approval to decrees with the status of laws. These arrangements have been criticized for an insufficiently clear division of labour between the President and the executive, and within the ministries. This has hobbled implementation of reforms by making them dependent on the agendas and abilities of individuals. While the Croatian Parliament is empowered by law with oversight of defence strategy as well as control of the armed forces, parliamentary oversight faces many of the same challenges as those that affect its neighbours, notably a lack of essential civilian expertise in the legislature on military and security matters, due partially to the turnover of a four-year-committee mandate.

B. BROADER POLITICAL CONSIDERATIONS

44. Several issues have historically stood as roadblocks to Croatia's access to NATO membership. Those have included refugee return issues, co-operation with the International Criminal Tribunal for the former Yugoslavia (ICTY), and general security sector reform, including increased defence spending. The December 2005 arrest of Ante Gotovina, the highest-ranking Croat officer to be indicted by the ICTY, went a long way towards removing a major obstacle to closer coordination with the EU and NATO.

45. No issue has had a higher profile, however, than the historically low public support in Croatia for NATO membership. The sources of the Croatian public's generally low opinion of NATO has had several sources; the Croatian public may link NATO membership with its broad opposition to the war in Iraq; NATO's role in the wars of the 1990s is not widely praised in Croatia; NATO's role in pressing for the arrest of Ante Gotovina - still considered a "hero" by a non-negligible number of Croats - may also be a factor. Some critics have charged that NATO membership could lead to a militarization of Croatia's highly reputed and tourist coastline. Other arguments have included the allegedly excessive costs that membership in the Alliance would entail, or the idea that Croatia could be forced into conflicts it otherwise would choose to avoid.

46. Indeed, the problem of low public opinion in a candidate country is not a new one: Slovenia faced a very similar situation before its accession to the Alliance. At the time the Slovenian government was pushing for NATO membership, the Slovenian public expressed broad opposition to joining the Alliance as well as to the war in Iraq. The Slovenian government's successful response was an aggressive public relations campaign aiming at differentiating the two issues and informing the public about the benefits of joining NATO.

47. The Croatian government took this success story to heart and has established a special committee to promote the potential benefits of Croatia's membership in the Alliance to the public and establish the basis for long-term, sustainable public support for NATO. The Committee is led by President Stjepan Mesic, Prime Minister Ivo Sanader and the Chairman of the Parliament, Vladimir Seks. According to senior Croatian officials, these efforts have borne fruit: backing for NATO membership has risen from a level as low as only one third of Croatians in some 2006 surveys to approximately 52% of the population today. Croatian officials attribute these higher levels of support to their communications efforts, coupled with the successes of recently implemented reforms.

48. Croatia's judicial system has faced a number of sanctions by the European Court of Human Rights. These violations range from denial of access to a court, to lack of enforcement of final court decisions. Although the government has addressed some of the issues of content, critics contend a number of areas need further attention, such as the setting up of a free legal aid service for civilian cases, ensuring fair trial guarantees in the procedures of the Administrative Court and diminishing the involvement of the judiciary in the specialised of elections. In addition, serious concerns remain regarding the functioning of the Constitutional Court. The Court allegedly yielded to parliamentary pressure when dismissing human rights cases related to refugees and minorities; and the Constitutional Court's rulings have not been uniformly adhered to by the Government, the State Attorney and the Supreme Court.

49. NATO has also insisted on progress in the major challenge of the reintegration of returning Serb refugees from the 1991-1995 war in Croatia. The Serbo-Croat war of 1991-1995 left a legacy of more than half a million displaced people, one third of which are thought to be Serb refugees in Bosnia, Serbia, and Montenegro. The Croatian government has faced criticism for how it dealt with refugee housing issues (refugees' houses, when not destroyed, were occupied by other Croats; returning refugees were unable to recover their houses or obtain compensation). It has also faced criticism related to its enforcement of the law on amnesty and the workings of judicial institutions dealing with refugee questions. Further complications include widespread allegations of non-compliance by local authorities. Croatia's 2005 Road Map for the completion of refugees'

return until the end of 2006 allocated approximately €300 million/year in 2005-2006. It is estimated that approximately 20,000-25,000 refugees still residing abroad are willing to return.

50. Pjer Simunovic, Assistant Minister of Foreign Affairs of Croatia told the Assembly in June 2007 that Croatia is not “resting on its laurels” and simply hoping for an invitation to NATO in 2008. Rather, he stated that Croatia is facing the legacy of the 1990s head-on, particularly in achieving a level of full co-operation with ICTY. Ongoing defence reforms, with the goal to have smaller, more manoeuvrable, financially sustainable and deployable armed forces that conform to NATO’s deployability standards, have allowed for continued growth in Croatia’s contributions to NATO operations. Simunovic suggested that the governmental information campaign about NATO was already paying dividends with rising public support for NATO membership. Croatia, he stated, had a good understanding of where it stood, what remains to be done, and how to do it; Croatia was determined to complete these tasks before NATO’s Bucharest Summit in April of next year.

51. The Croatian reform process has met with important successes. Croatia has come far along the path to Euro-Atlantic integration. However, the key to Croatia’s membership aspirations remains mostly with its own public. While ongoing reforms in the defence sector, in the judiciary, and on refugee questions, will also certainly play a role in any membership decision, NATO member states continue to seek reassurance on public support for Alliance membership. Davor Bozinovic, Ambassador of the Republic of Croatia to NATO, told the Assembly in June 2007 that in any case, in accordance with the Croatian Constitution, there was no need for a referendum in Croatia on the question of joining NATO; this would instead be decided by parliamentary procedure. Regardless, should efforts to convince the Croatian population that joining NATO is in Croatia’s interest fail to bear fruit, NATO member states would face a much more difficult decision with a much less certain outcome.

V. THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

52. The former Yugoslav Republic of Macedonia’s membership aspirations, backed by very strong public support for NATO membership (as high as 90% according to government sources), has led to great strides in its reform process. It has been seeking Euro-Atlantic integration as government policy since 1993, and joined PfP in 1995. It has taken part in the MAP process since 1999. It was a founding member of the Adriatic Charter, with Croatia and Albania, as well as the United States.

53. That the former Yugoslav Republic of Macedonia’s strategic goal of NATO membership in 2008 is potentially feasible is an indication of how far it has come since its near civil war in 2001. That conflict, ended by the Ohrid Framework Agreement of August 2001, stands in stark contrast to the 1990s, when it was seen as a relatively quiet haven of ethnic coexistence. The Ohrid Agreement not only put an end to the conflict; it also has allowed the country to move forward with its Euro-Atlantic aspirations. As a result of the reform processes under way, the Macedonian Armed Forces (ARM) have moved to a smaller, less officer-heavy, more professional and modern force that integrates ethnic minorities. The ARM plans to be fully professional by 2008, and focused on participation within Euro-Atlantic security frameworks, rather than strictly territorial defence.

54. The defence budget of the former Yugoslav Republic of Macedonia has consistently surpassed NATO’s informal 2% of GDP benchmark. This spending, along with external assistance from Allies (principally the United States) has been a key to funding the former Yugoslav Republic of Macedonia’s expensive security sector reforms.

55. Senior NATO officials have publicly praised the former Yugoslav Republic of Macedonia for becoming an exporter of security. It currently contributes approximately 120 personnel to NATO’s ISAF operation in Afghanistan, and it recently removed caveats on its infantry and medical

specialists in the mission. It has 40 personnel deployed to Iraq as part of "Operation Iraqi Freedom". Skopje also deployed a small contingent and helicopters in Bosnia and Herzegovina in the framework of EU-led operation "Althea". It also has consistently participated in a broad array of NATO and PfP exercises.

56. Perhaps most importantly on the operational front has been the former Yugoslav Republic of Macedonia's positive influence on Kosovo, which has afforded it high praise. Indeed, the former Yugoslav Republic of Macedonia played an indispensable role as KFOR rear area in hosting logistical supply lines and continues to do so for EUFOR. NATO's Secretary General stated in January 2007 that in the context of Kosovo, the former Yugoslav Republic of Macedonia is expected to remain a "stabilizing factor in the Balkans" in 2007 and beyond.

57. Skopje has expressed its intent to participate in NATO-led manoeuvres with its Adriatic Charter counterparts, with an eye to boosting regional cooperation, and also plans to increase substantially the pool of forces available to support NATO operations, including a medium-infantry company, a mountain section, an engineer platoon, and two medium helicopters for intra-theatre airlift support.

A. SECURITY SECTOR ANALYSIS

58. In the key area of defence sector reform great progress has been made. The August 2006 appointment of the firmly Atlanticist Lazar Elenovski as Minister of Defence was widely interpreted as a good sign, suggesting that necessary reforms in this sector would continue apace.

59. The most recent round of ambitious security sector reforms were launched in 2004 with parliamentary approval of the Strategy for Transformation of Defence, as well as the "Annual National Programme for Membership of the Republic of Macedonia in NATO 2004-2005". The transformation of the armed forces has been closely monitored and advised by NATO experts (a NATO Advisory Team, embedded in the Macedonian Ministry of Defence, has served a particularly important advisory role to the Macedonian defence reform process) and US defence contractors, including MPRI, Inc. and Booz Allen Hamilton. Most analysts seem to agree that the military modernization plans are on track.

60. A keen appreciation for NATO's needs led Skopje's defence planners to focus on developing their niche capabilities of Special Forces, MPs, and rotary-wing assets. Macedonian plans called for the ARM's personnel numbers to be slashed from 16,000 in 2002 to about 9,000 in 2007, with abolishment of conscription. Estimates of its current troop strength are at about 11,000, with a reserve of 21,000. The transformation programmes call for the army to have two active infantry mechanized brigades, one Special Forces brigade, a reserve infantry brigade, a tank and artillery battalion, and an aviation brigade. All combat and support units are to be put under the direct command of the newly established Joint Operations Command.

61. Some concerns about civil-military relations remain. Analysts have suggested that ambiguities in the Constitution and Defence Law could cause difficulties, if the President and Prime Minister were from opposing parties and at odds on an important military issue.

62. In terms of parliamentary oversight, two committees in the former Yugoslav Republic of Macedonia's Parliament deal with security issues: the "Committee on Defence and Security" and the "Committee for Supervising the Work of the Security and Counterintelligence Services". While the former has been praised as efficient, the second was severely hampered by the indictment of its Chairman on war crimes charges by The Hague Tribunal. Consequently, the Committee did not hold any meetings. The renewal of its staff after the 2006 elections, and the appointment of a new Chairman, appears to have allowed for more substantive achievements. Overall, the Defence and Security Committee's achievements and progress – for instance, requiring quarterly expenditure

reports on the defence budget and organizing hearings with the Ministers of Defence and Interior, as well as cooperative programmes with the Geneva Centre for the Democratic Control of the Armed Forces and with the Marshall Center, appear to signal an intent to move beyond what experts had considered relatively low overall influence of Parliament on security and budget issues.

B. BROADER POLITICAL CONSIDERATIONS

63. Specific issues of defence reforms aside, the principal areas that NATO has expressed greatest concern about are the continued problems in the fields of corruption, full implementation of the Ohrid Framework Agreement, economic reforms, and the ability of the government and opposition to work together. Yet overall, the Macedonian political climate is broadly seen as moving in a positive direction. The July 2006 National Assembly elections were the first major test for the post-Ohrid Government, and although the election campaign was marred by some violence, the Organisation for Security and Co-operation in Europe assessed the ballot itself as relatively free from political violence or electoral manipulation. NATO's Secretary General cautiously praised the election's conduct, while noting that isolated irregularities did take place. The Riga Declaration praised the elections as successful.

64. NATO's concern in this respect remains that political dialogue remains active and non-violent. NATO has called for all political communications channels to remain open between the centre-right government and the opposition. And indeed, since the NATO-PA's visit in April 2007, the boycott of parliamentary work by the Albanian opposition party DUI (Democratic Union for Integration) was resolved in an agreement signed with the majority VMRO-DPMNE party and Prime Minister Nikola Gruevski, a major positive step. Still, the Government's ambitious economic revitalization policy could be delayed by obstructionism from various opposition parties, especially by the main Albanian opposition party.

65. While the great majority of the provisions of the 2001 Ohrid Agreement have been put into the law, its full implementation remains a principal NATO priority. In particular, the Agreement calls for increased representation and rights for the Albanian minority. NATO is thus particularly interested in the inclusion of ethnic minorities within the ARM. NATO has made clear its expectation that this will be fully implemented by Macedonian authorities.

66. The former Yugoslav Republic of Macedonia still has to prove that it possesses a sound legal system and is able to tackle large-scale and widespread corruption. While the government has repeatedly pledged a renewed focus on the fight against corruption, organised crime and human trafficking, these issues remain problematic. In 2006, Transparency International ranked the former Yugoslav Republic of Macedonia 105th out of 163 rated countries. A similar survey found that 34% of Macedonians consider the fight against corruption "not effective", and that another 24% believe that the government actually encourages corruption. The dangers of such a culture were highlighted with the December 2006 dismissal of the Macedonian intelligence chief over the smuggling of large quantities of ARM weaponry to Bulgaria.

67. The former Yugoslav Republic of Macedonia's continued economic difficulties contribute to this challenge. Of particular concern is the high unemployment rate, which officially stands at about 36% for 2006, a minor decrease from 2005.³

68. Despite difficult relations with some of its neighbours, the role played by the former Yugoslav Republic of Macedonia in the region is generally constructive and contributes to greater stability. Relations with Greece continue to suffer from the dispute over the name of the country, although

³ The large number of 'unofficial' workers is by definition impossible to quantify; therefore, estimates of the 'real' unemployment rate suggest anywhere between 25 to 50%.

cultural and economic relations between the two countries are thriving. Clearly, a major factor in the regional context is the situation in Kosovo. The NATO-PA was told by local officials in April 2007 that Skopje would be in a particularly difficult position if Kosovo were to proclaim its independence unilaterally; that all political parties in the country fully support the Ahtisaari plan; that a solution needs to be found as quickly as possible; and that any attempt at modifying international borders should be firmly excluded. 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, including steps towards integration into NATO and the EU.

69. Prime Minister Nikola Gruevski of the former Yugoslav Republic of Macedonia told the Assembly in April 2007 that his country has transformed itself into a contributor of security through its nearly caveat-free participation in missions in Afghanistan, Iraq, Kosovo and Bosnia and Herzegovina. Defence reforms are backed by strong spending on defence (2.3-2.6% of GDP) and increased investment in modernisation efforts. He also praised the regional co-operation embodied by the Adriatic Charter and the participation of the new PfP members. He confirmed that public support for NATO membership is high, at about 90%. Prime Minister Gruevski also underlined his government's commitment to dialogue with the opposition, to multi-ethnic democracy, and to the fight against organised crime. He stated that having more Balkan nations in NATO meant that the Balkans would be more stable, and expressed his conviction that the Adriatic Charter countries would receive invitations to join the Alliance at the 2008 NATO Summit in Bucharest.

VI. CONCLUSION

70. While the 2006 Riga Summit Declaration confirmed NATO's view that Euro-Atlantic integration was **necessary** for the Western Balkan region, the message to aspirants was clearly that they should keep up their performance and commitment to reforms. It is not within the scope of this report to predict whether the Heads of State and Government of NATO member states will extend an invitation to NATO membership to Albania, Croatia, and the former Yugoslav Republic of Macedonia at the NATO Summit in Bucharest in April 2008. However, information gathered during this Sub-Committee's investigations point your Rapporteur to the conclusion that the Adriatic Charter countries have, individually and collectively, diligently followed a responsible path of reform, not only for the sake of membership in Euro-Atlantic institutions, but also for their own national interests. They are making proportionate contributions to NATO's operations, and engaging in positive regional cooperation.

71. Senior officials from each aspirant country on several occasions in 2007 pledged to the Assembly that their governments were not resting on their accomplishments or simply waiting to proceed through NATO's declared open door. Instead, they agreed that areas of concern remain and pledged further steps in these areas. Each nation's government has been made fully aware of what NATO believes is still needed through extensive bilateral discussions with NATO and Allied officials. While continued progress on these fronts is important, it is also clear to your Rapporteur that aspirants should keep in mind that the sustainability and irreversibility of their reforms will be examined carefully. NATO and its member states will look for evidence that an aspirant is likely to continue along the path of reforms it has undertaken, including its commitments to uphold human rights and rule of law, ensure democratic control of armed forces, and continue defence sector reforms (including adequate defence funding). Institutional strength, commitment, and political consensus, will all be necessary elements of any assurance that these countries' commendable progress cannot become stagnant.

72. There is no doubt that NATO's door remains open, and that Albania, Croatia, and the former Yugoslav Republic of Macedonia have gone to great lengths to fulfil their ambitions for NATO membership. They are already deployed with NATO Allies in the field. There are also compelling

arguments for consolidating the positive political changes in the region through an extension of NATO membership into the Western Balkans, particularly considering the current complex security challenges the region is facing. Your Rapporteur is one of the many who believe in the future of these countries as full members of the North Atlantic Treaty Specialised.

73. Of particular interest to your Rapporteur is the role of Parliaments in the process of Euro-Atlantic integration. It appears that parliamentary oversight of the defence sector in each of these three countries remains relatively weak. This critical function is hampered by the limited experience and background in military issues of the parliamentarians and staff charged with oversight duties. This problem is compounded by the general lack of independent analysis and advice available from think tanks or other defence experts, particularly compared to NATO countries. Strengthening of relevant committees and training of key staff in defence issues therefore remains central to enhancing parliamentary oversight. The NATO PA's various ongoing programmes, sharing its members' experiences in these matters through direct discussions, and conducting specialised parliamentary staff training, continue to have an important role to play in this respect.
