



# Intelligence Report

Office of European Affairs

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## EU-Bosnia: Groping for the Initiative in Peace Implementation

*European Union (EU) leaders are eager to assume a prominent role implementing the Bosnian peace agreement to offset their diminished prestige after US dominance in the Dayton proximity talks. Their initial steps have been halting and ineffective, however, and many Union officials still harbor doubts about the ultimate effectiveness of the peace process. This will not stop the West Europeans from continuing to assert their leadership over civilian aspects of peace implementation, a strategy that is likely to lead to disputes with Washington over regional diplomatic initiatives and how best to reconstruct and reintegrate the region.*

### EU Starting to Move...

The EU and its member states have taken their first steps toward implementing the civilian aspects of the Bosnian peace agreement, including economic reconstruction, the organization and monitoring of elections, human and minority rights observance, and military confidence-building measures.

- The European Parliament on 13 December approved the European Commission's request for \$120 million for near term reconstruction and refugee resettlement projects. The money will also go toward underwriting the costs of the Sarajevo and Brussels offices of Carl Bildt, the Bosnian peace coordinator.
- The Union also will provide support to the Organization for Security and Cooperation in Europe (OSCE) by supplying personnel from the European Commission Monitoring Mission (ECMM) to monitor elections and human rights.

High Representative Bildt, meanwhile, has begun to put his staff in place in order to press ahead with peace implementation efforts.

- Michael Steiner, the former German representative to the Contact Group, will serve as a deputy to Bildt; Bildt will have French and British advisers as well, according to diplomatic reporting.

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- EU delegates will join representatives from the G-7, Russia, and the Organization of Islamic Conference to oversee reconstruction planning and administration as part of the steering committee. [redacted]

### ...But Divisions Remain

Nonetheless, internal disorganization and disagreement are hampering EU efforts and obstructing the Union's attempts to assert its leadership over the civilian programs. Union members, for example, have not agreed on how much the EU will pledge to the reconstruction effort over the long term, according to press and diplomatic reporting.

- Divisions remain over how large the EU contribution to the total package should be, as well as the amounts individual EU states will contribute. In press statements, German Chancellor Kohl has repeatedly warned that the Union should not look to Germany to provide the bulk of EU funding.
- According to US diplomatic reporting, moreover, some EU states still have misgivings about pressing for leadership on the reconstruction effort, fearing that such a role will entail greater EU responsibility for funding reconstruction projects. [redacted]

EU officials, meanwhile, continue to quibble over the appointments to manage the various civilian programs. The EU's insistence that a European occupy the post of High Representative, as well as the deputy slots, initially held up the organization of civilian peace implementation, according to US diplomats, but the appointment of Carl Bildt, well known for his experience in the region as the EU's negotiator in Bosnia, has resolved that impasse at least.

- Bildt, however, has expressed concern about the number of agencies dealing with reconstruction and refugee repatriation and is grappling with the problem of how to coordinate these efforts, according to US diplomats.
- According to US diplomatic reporting, several Union members, including Denmark, Sweden, Austria, and the Netherlands, have expressed concerns about the weight granted to smaller EU states in assessing the Union's role in Bosnia, particularly on the reconstruction steering committee.
- US diplomats also report that OSCE and EU officials are still wrangling over the terms of ECMM support for the OSCE election monitoring project. The EU envisions the ECMM as a semi-autonomous body under

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the OSCE's general authority with additional, as-yet-undefined responsibilities outside its OSCE mandate. [redacted]

Press and diplomatic reporting indicates that the Europeans still harbor fundamental concerns about the effectiveness of peace implementation, given the underlying issues--such as ethnic tensions--beyond the reach of the peace accord.

- A variety of sources indicate that German officials are particularly concerned over the details entailed in governing Sarajevo, such as the ethnic balance of police units, along with the potential for obstruction by the Serb population.
- Spanish officials publicly acknowledge the fragility of the accord and the possibility of renewed violence. [redacted]

### **Tough Test for US-European Cooperation**

The EU's difficulties in organizing and coordinating its efforts will restrict its leadership on Bosnian peace implementation for the near term, leaving the United States to carry much of the burden. Nevertheless, the Europeans--still smarting from their failure to resolve the Balkans crisis without US involvement--will continue their efforts to control the civilian aspects of the peace process [redacted]

The Europeans almost certainly view the appointment of Bildt as High Representative as a preliminary victory, giving the Europeans an avenue for establishing their influence. They will probably look for additional ways to assert their leadership within the multilateral organizations involved in Bosnia, even at the cost of friction with Washington.

- [redacted] Paris argued that a European should head the mission because Europeans compose the largest segment of the peacekeeping effort. Although France ultimately agreed to a US OSCE head, it is likely to use similar arguments to press for European--and French--leadership in other peace implementation organs.
- Other EU member states, [redacted] also have expressed concern over US dominance of the peace process. Italy, which assumes the EU Presidency on 1 January, has pledged to make the Balkans a priority for the Union and is likely to press for a higher EU profile in peace efforts. [redacted]

Moreover, some EU countries may decide to pursue independent, more national agendas to secure greater regional influence in the post-war era. Increasingly, they

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recognize the need to develop a sphere of influence--economic as well as political--and will be jostling for an advantage over the US in the region. The role of Serbia and its reintegration into the European family is likely to serve as the first source of friction.

- France, for example, has softened its stance on the Bosnian Serbs, particularly in the wake of the release of the two French pilots held by Pale, according to press reports. Paris has publicly said it wants to deal with the Serbs' "legitimate" concerns, and Bildt has sent a delegation of his top staff members to Sarajevo to reassure the Serbs that their interests will be given serious consideration. US diplomats say Paris also has suggested that World Bank reconstruction assistance favors the Muslims over the Serbs and used that argument, among others, to postpone a donors' conference. [redacted]

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