



European
Commission



THE EUROPEAN COMMISSION 1986-2000

HISTORY AND MEMORIES
OF AN INSTITUTION

Work carried out on the initiative of the European Commission with the participation of and testimony by former European officials

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Under the presidency of Jacques Delors the European Commission supported German reunification in 1990 and prepared for the introduction of the common currency. From left to right: the fall of the Berlin Wall on 9 November 1989, Presidents Jacques Delors and Jacques Santer in 1994 and the launch of the euro on 1 January 1999.

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History and memories of an institution

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THE EUROPEAN COMMISSION 1986-2000

HISTORY AND MEMORIES OF AN INSTITUTION

Editors:

Vincent Dujardin, Éric Bussière, Piers Ludlow, Federico Romero, Dieter Schlenker
and Antonio Varsori

in collaboration with Sophie Kaisin

Preface by Jean-Claude Juncker, President of the European Commission

*Work carried out on the initiative of the European Commission
with the participation of and testimony by former European officials*

European Commission

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23.2. The European Commission and the Yugoslav crises

The European Community and Yugoslavia in the post-Tito era

The European Commission's involvement in the western Balkans after 1991 — the year when Croatia and Slovenia issued their declarations of independence, confirming the disintegration of the Yugoslav federation — was rooted in a diplomatic tradition of EC–Yugoslav relations that went back to the late 1960s. By virtue of its competences in the area of trade the Commission had developed direct relations with Belgrade that had culminated in the conclusion of two trade agreements, in 1970 and 1973, and a cooperation agreement, in April 1980⁽¹⁾. The latter, signed the month before the death on 4 May of Yugoslavia's leader Josip Broz, commonly known as Tito, was a way for the EC to support the country's difficult transition to the post-Tito era. From a political viewpoint relations between the EC and Belgrade were based on a joint declaration concluded in December 1976, which recognised Yugoslavia as a Mediterranean, developing and non-aligned country. Yugoslavia was a unique EC partner: its delicate position between the European blocs prevented the country from having any prospect of association with the EC.

After Tito's death the EC followed the development of the political situation in Yugoslavia attentively, as the economic downturn experienced by the latter in the early 1980s had given rise to the emergence of centrifugal tendencies among the federal republics.

In line with the foreign policy positions of the EC Member States⁽²⁾ the Commission showed its support for Yugoslavia with the aim of strengthening the country's economic stability⁽³⁾. Jacques Delors reflected this goal during his visit to Yugoslavia in July 1987, which took place right after the conclusion of a financial protocol envisaging loans of ECU 550 million through the European Investment Bank and the renewal of the commercial protocol included in the 1980 cooperation agreement⁽⁴⁾.

The political balance of EC–Yugoslav relations changed swiftly after the fall of the Berlin Wall in November 1989. The end of the bipolar equilibrium in Europe and the *rapprochement* of former communist regimes in central and eastern Europe to the EC — favoured by the G24 coordination initiative (as a result of the G7 Arche Summit in July 1989) entrusted to the European Commission and by the subsequent launch of the Phare programme⁽⁵⁾ — encouraged the Yugoslav government to develop its relationship with the EC further, and to transform the cooperation agreement into an association agreement⁽⁶⁾. However, such a foreign policy change coincided with the deterioration of relations between the federal republics, prompted by the hegemonic policy of the Serbian leadership, headed by Slobodan Milošević, and the victory of separatist parties in Croatia and Slovenia in the first post-communist elections, held in spring 1990. The Yugoslav leadership, headed by reformist Prime Minister Ante Marković, regarded the EC as a crucial actor to sustain the economic recovery of the country. This attitude was clearly expressed by Marković to Delors during a bilateral meeting held

⁽¹⁾ See Zaccaria, B., *The EEC's Yugoslav policy in Cold War Europe, 1968-1980*, 'Security, Conflict and Cooperation in the Contemporary World' collection, Palgrave Macmillan, London, 2016; Obadić, I., 'A troubled relationship: Yugoslavia and the European Economic Community in *détente*', *European Review of History*, Vol. 21, No 2, Routledge, Abingdon, 2014, pp. 329-348.

⁽²⁾ HAEC, BAC 347/1991/185, 'Note for the attention of Mr Durieux on political cooperation — Situation in Yugoslavia', 30 April 1987.

⁽³⁾ HAEC, BAC 230/1993/27, 'Letter of Jacques Delors to Branko Mikulić', 3 April 1987.

⁽⁴⁾ HAEC, BAC 230/1993/27, JJS/sd, 'Briefing note for President Delors's visit to Yugoslavia from 23 to 25 July 1987 on the political situation in Yugoslavia', 13 July 1987.

⁽⁵⁾ The programme of aid to central and east European countries.

⁽⁶⁾ HAEC, BAC 98/1997/765, JJS/ck, 'Note for the attention of Juan Prat on the report on the mission to Belgrade (26 February-1 March 1990)', 1 March 1990.



Yugoslav Prime Minister Ante Marković (centre) met President Jacques Delors (left) in the Berlaymont on 8 March 1990.

in Brussels on 8 March 1990 ⁽¹⁾. Also, the European Commission regarded Marković's free-market reforms as a means for Yugoslavia to recuperate from economic stagnation and preserve political stability ⁽²⁾. However, such hopes were soon dashed by the evolution of the internal situation in the country in early spring 1991.

The European Commission and the dissolution of Yugoslavia

As the country began to slide towards civil war, EC policymakers became anxious about the potential threat to regional and European stability implied by the potential disintegration of the country. In

February the Community began to examine policy measures to try and help preserve the unified Yugoslav state. The EC's policy on Yugoslavia was founded on support for the democratic reform process in all the republics; mediation between the federal and republic authorities to help them resolve their disputes peacefully; and willingness to negotiate an association agreement with a pluralist and democratic Yugoslavia. On 26 March 1991 the Community issued a statement on Yugoslavia urging a peaceful solution to the constitutional crisis, underlining that 'in the view of the Twelve, a united and democratic Yugoslavia stands the best chance to integrate itself in the new Europe' ⁽³⁾. A few days later, on 4 April, the EC troika of foreign ministers from Italy (Gianni De Michelis), Luxembourg (Jacques Poos) and the Netherlands (Hans van den Broek),

⁽¹⁾ HAEC, BAC 98/1997/941, 'Note for the file on the visit by Mr Markovic, Yugoslavian Prime Minister', 9 March 1990.

⁽²⁾ HAEC, BAC 98/1997/765, 'Letter from Commissioner Karel Van Miert to President Jacques Delors on the visit to Yugoslavia on 22 and 23 January 1990', 30 January 1990.

⁽³⁾ HAEC, BAC 98/1997/314, 'European political cooperation press release: Declaration on Yugoslavia (informal ministerial meeting, Château de Senningen, 26 March 1991)', 26 March 1991.

together with Commissioner Abel Matutes, visited Belgrade and emphasised the Community's interest in the unity and integrity of Yugoslavia ⁽¹⁾.

In order to stabilise the country and prevent disintegration the European Council, at its extraordinary session on 8 April, decided to provide strong support for Prime Minister Marković's efforts to keep the federation together by offering substantial financial aid and progress towards an association agreement, subject to strict political and economic conditionality. However, the planned visit of the President of the European Council, Jacques Santer, and Jacques Delors on 8 and 9 May was cancelled following the escalation of violence in Croatia. At a meeting of the EC Foreign Affairs Council on 13 May the decision was made to postpone the visit to the end of May as a sign of Community support for democratic forces in Yugoslavia ⁽²⁾. The United States also backed the Community's efforts on the basis of the latter's historical commercial and financial links with Belgrade. And yet Santer and Delors's visit to Belgrade on 29 and 30 May was doomed to failure, as only the federal government, Bosnia and Herzegovina and Macedonia accepted the economic assistance subject to Community's conditions ⁽³⁾.

In spite of European and US efforts to preserve the Yugoslav federation, on 25 June Croatia and Slovenia issued unilateral declarations of independence. This was a major turning point in the Yugoslav crisis. After 2 days the Yugoslav Federal Army intervened in Slovenia in order to retake border posts. The EC reacted swiftly by sending the foreign ministerial troika to Yugoslavia to mediate between the conflicting parties ⁽⁴⁾. The troika managed to

broker an agreement signed by representatives of Croatia, Slovenia and the federal government on the Brioni Islands on 7 July. The Brioni Declaration ended hostilities in Slovenia; Croatia and Slovenia agreed to a 3-month moratorium on the implementation of their declarations of independence; and finally the declaration created a foundation for the establishment of the European Community Monitoring Mission, to help stabilise the ceasefire and monitor the suspension of the implementation of the declarations of independence ⁽⁵⁾.

The Brioni Declaration also marked the more active involvement of the Community in managing the Yugoslav crisis. On 5 July the Community imposed an arms embargo upon Yugoslavia and suspended financial cooperation ⁽⁶⁾. However, the brief armed conflict in Slovenia and subsequent intervention of the Serb-dominated Yugoslav army in Croatia destroyed the European consensus on the policy of keeping Yugoslavia together, as Germany began to identify the Serbian authorities and Slobodan Milošević as the agents responsible for the evolving Yugoslav tragedy. Major western European countries — Germany, France and the United Kingdom — were deeply divided over the appropriate course of action. Berlin, unlike Paris and London, became a firm supporter of Croatian and Slovenian appeals for international recognition of their independence. The Commission, which until summer had been playing an important role in formulating the Community policy towards the Yugoslav crisis, found itself in a difficult position. As noted by Robert Cox, a member of the monitoring mission, 'when the violence started there were obviously severe limits to what the European Commission with its very limited security mandate, could actually do. They could make noises but the trouble is because the Member States themselves have different

⁽¹⁾ HAEC, BAC 98/1997/314, 'Telegram from Marc Janssens, Head of Delegation in Belgrade, to Abel Matutes, European Commissioner, on the progress of the ministerial troika in Belgrade (4 April 1991)', 5 April 1991.

⁽²⁾ HAEC, BAC 98/1997/314, 'Foreign Affairs Council', 13 May 1991.

⁽³⁾ See interview with Jacques Delors, 25 February 2016; HAEU, Jacques Delors Fonds (JD) 244, 'Santer/Delors visit to Yugoslavia on 29/30 May 1991', 31 May 1991.

⁽⁴⁾ Presidency conclusions of the Luxembourg European Council, 28 and 29 June 1991: http://www.consilium.europa.eu/media/20528/1991_june_-_luxembourg_eng_.pdf

⁽⁵⁾ HAEU, JD-264, 'Political Cooperation Council, The Hague (10/07/91)', 10 July 1991.

⁽⁶⁾ 'Yugoslavia', *Bulletin of the European Communities*, No 7/8, 1991, pp. 107-108.

agendas and when the Member States themselves are not together, you have a problem' ⁽¹⁾.

On 28 August, as the conflict in Croatia was turning into a full-scale war, the Community and its Member States declared at the EPC meeting that they would never accept a policy of *fait accompli* or recognise changes of borders by the use of force. For the first time the Community directly named the Serbian side as responsible for conflict escalation.

Faced with the escalation of the conflict in Croatia, the EC Member States decided to convene a peace conference and establish an arbitration procedure ⁽²⁾. The future of the Yugoslav Federation now had to be decided within the framework of The Hague Peace Conference, chaired by Lord Carrington, and the Arbitration Commission, chaired by Robert Badinter. Despite the opening of the Peace Conference on 7 September, Serb aggression towards Croatia intensified and, by early November, the conference de facto collapsed following dozens of broken ceasefires and Milošević's repeated rejection of peace plans. As a result, in November 1991 the Community suspended the economic provisions set out in the 1980 cooperation agreement ⁽³⁾. The fall of Vukovar and attacks on Dubrovnik in November and early December finally broke the deadlock among the EC Member States. The opinion issued by the Badinter Arbitration Commission on 7 December also played an important role in changing EC policy regarding the issue of recognition of Croatia and Slovenia, as it stated that Yugoslavia was in the process of dissolution.

The fate of Yugoslavia was finally resolved at the extraordinary Council meeting on 16 December when, after prolonged discussion, the German position prevailed over the concerns of the French



'Our Serbian brothers have coughed!' Yugoslavia broke apart in a series of violent conflicts between 1991 and 2001.

and UK governments. The Community agreed to recognise the independence of the Yugoslav republics subject to conditions of respect of the rule of law, democracy and human rights; guarantees for the rights of ethnic and national groups and minorities; respect for the inviolability of all frontiers; and acceptance of all relevant commitments with regard to security and regional stability ⁽⁴⁾. By 15 January 1992 the Yugoslav federation ceased to exist as the Community formally recognised Croatia and Slovenia, while Bosnia and Herzegovina was recognised on 8 April.

The decision on recognition marked the end of the catastrophic debut performance of the emerging European foreign and security policy. In the following years the UN, NATO, the Contact Group (the group was formed in 1994 and was composed of France, Germany, Russia, the United Kingdom and the United States) and, most importantly, the United States became entangled in resolving the escalation of war in Bosnia and Herzegovina. The EC/EU and the Commission continued to play an important role, primarily in the humanitarian field.

⁽¹⁾ Interview with Robert Cox, 5 April 2016, p. 14.

⁽²⁾ 'Yugoslavia', *Bulletin of the European Communities*, No 7/8, pp. 115-116.

⁽³⁾ HAEU, DORIE 1008, 9182/91, 'Results of the work of the "Mediterranean" Group of 5 November 1991 at the Permanent Representatives Committee: measures with regard to Yugoslavia — Draft legal texts', 6 November 1991.

⁽⁴⁾ 'Yugoslavia', *Bulletin of the European Communities*, No 12, 1991, pp. 119-120.



'You have reached the answerphone of Slobodan Milosevic. Please leave your threat after the tone. Thank you.'
 On 8 January 1993 the cartoonist Pancho evoked the weakness of the international community in the face of the bloody conflict in the former Yugoslavia.
 From left to right: US President George H. W. Bush, Chancellor of Germany Helmut Kohl, President of France François Mitterrand and UK Prime Minister John Major.

The war in Bosnia and Herzegovina was one of the first major operations of the European Community Humanitarian Office, established in 1992 ⁽¹⁾. By mid 1994 the EU had provided USD 855 million in humanitarian assistance to the region ⁽²⁾. Apart from humanitarian aid, the Community

re-established trade relations with Bosnia and Herzegovina, Croatia, Macedonia and Slovenia.

The dissolution of Yugoslavia and the outbreak of war tested the Community's ability to forge a common policy on foreign- and security-related issues. At the very moment when European political leaders were negotiating further deepening and widening of the political, economic and security structures of post-Cold War Europe, the Community failed in its attempts to mediate a peaceful solution among the former Yugoslav republics, prevent

⁽¹⁾ Interview with Robert Cox, 5 April 2016.

⁽²⁾ HAEC, BAC 184/2000/108, 'Former Yugoslavia — Preparation for the Corfu European Council of 24 and 25 June 1994: efforts by the European Community and its Member States since the start of the conflict', 24 and 25 June 1994.

instability on its south-eastern borders and speak with one voice in the international arena. The crisis also left its mark on the Commission. As argued by Nikolaus van der Pas, a head of unit in DG External Relations between 1990 and 1993:

'I was among many colleagues who watched in horror at Europe's impotence. The European Union was supposed to have ended all European wars. Now, less than two hours flying from Brussels, it was happening all over again: war, ethnic cleansing, etc. What could the EU do? Nothing. In the end American intervention was necessary to stop it all. We were left with the feeling that there was something deeply wrong with the European Union. It had done so much to create prosperity and peace within its borders, but was helpless to stop the bloodshed in neighbouring countries' (1).

Reconstructing the western Balkans

After the signing of the Dayton Agreement in November 1995 the European Commission emerged as the leading actor in the reconstruction of the former Yugoslavia (2). Among the first initiatives of the Commission was the organisation, in close cooperation with the World Bank, of two donor conferences (involving 50 countries and 27 international organisations) in Brussels, in December 1995 and April 1996, in order to ensure financing of the indispensable reconstruction and rehabilitation projects throughout 1996 (3).

Starting from January 1996 procurement and monitoring agents were taken on in Bosnia and Herzegovina and office space was rented in Sarajevo

for the installation of a Commission office. Finally, an interservice group was set up, under the chairmanship of François Lamoureux, Deputy Director-General in DG IA with responsibility for relations with the ex-Yugoslavia, to coordinate and to guide the Commission's actions in the former Yugoslav republics (4).

Aid for Bosnia and Herzegovina was mainly financed through the European Community Humanitarian Office, Phare and specific budgetary lines devoted to the 'Reconstruction', 'Aide spéciale au retour des réfugiés' and 'Europe pour Sarajevo' (5) programmes, and to mine-clearance activities. The Commission's involvement was not limited to reconstruction policies. In order to enhance cooperation among the former Yugoslav republics the Commission proposed the launch of a 'regional approach', which was endorsed by the General Affairs Council of 26 February 1996. This approach combined both political and regional conditionality, and tended to strike the right balance between the aspirations of former Yugoslav countries to establish closer links with the EU and the latter's interests in regional stability (6).

In July 1996 a Council regulation named *Obnova* (7) (reconstruction) entered into force to provide a specific legal basis for aid to Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia. As recalled by Thérèse Sobieski, a senior official in DG IA in the late 1990s, the overall goal of this regulation, suggested and prepared by DG IA, was to finance 'housing reconstruction, refugee return and reconciliation' (8).

(1) Interview with Nikolaus van der Pas, 28 January 2016, p. 29.

(2) HAEU, François Lamoureux Fonds (FL) 526, 'Information note to the Commission by Mr van den Broek on Bosnia-Herzegovina', 16 January 1996.

(3) HAEU, FL-522, 'Visit of Commissioner van den Broek to Washington, 1-2 May 1996 — Speaking note for meeting with President Wolfensohn, World Bank', 26 April 1996.

(4) HAEU, FL-526, 'Information note to the Commission by Mr van den Broek on Bosnia-Herzegovina'.

(5) HAEU, FL-531, 'Background note on the implementation of Community programmes in Bosnia — New proposals', 23 October 1996.

(6) HAEU, FL-532, 'Note for the attention of Mr Kronenburg, deputy head of cabinet of Mr van den Broek, on the former Yugoslavia — Draft conclusions for the General Affairs Council of 26-27 February', 23 February 1996.

(7) Council Regulation (EC) No 1628/96 of 25 July 1996 (OJ L 204, 14.8.1996, p. 1).

(8) Interview with Thérèse Sobieski, 21 October 2016.



Following the conclusion of the Dayton Agreement (in December 1995) the European Union contributed to the reconstruction of Bosnia and Herzegovina. Significant work was undertaken in Mostar as part of the *Obnova* programme.

After the immediate post-war period, focused on institution building and post-war reconstruction, it was crucial for the Commission to promote a long-term stabilisation strategy in the region. In May 1999 the Commission proposed the stabilisation and association process ⁽¹⁾. Within this framework a tailor-made category of contractual relations was developed by DG IA: the stabilisation and association agreements. The latter, involving Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia — where the Commission had been involved in the aftermath of the 1997 financial crisis ⁽²⁾ — aimed to offer a political signal concerning the improvement of political and economic relations with the EU. In June 1999 a Stability Pact for Southern Europe was also launched by the

EU, in cooperation with a number of international partners, including Russia and the United States. In December 2000 the *Obnova* regulation was replaced by a new instrument, the programme of Community assistance for reconstruction, development and stabilisation ⁽³⁾. Conceptualised once again within DG IA, this programme was focused on the development of the countries involved in the stabilisation and association process through investments and institution building ⁽⁴⁾. By then the small Commission office established in Sarajevo had become a fully fledged delegation, including liaison offices in Banja-Luka and Mostar. Remarkably, Bosnia and Herzegovina became a pilot area for an ambitious exercise of decentralisation, whereby EC aid was managed directly in-country by the delegation (a model that was replicated for the delivery of

⁽¹⁾ COM(1999) 235 final, 26 June 1999, 'The stabilisation and association process for countries of south-eastern Europe'.

⁽²⁾ Interview with Thérèse Sobieski, 21 October 2016.

⁽³⁾ Council Regulation (EC) No 2666/2000 of 5 December 2000 (OJ L 306, 7.12.2000, p. 1).

⁽⁴⁾ Interview with Thérèse Sobieski, 21 October 2016.

EC cooperation across the world) ⁽¹⁾. This significantly raised the Commission's profile and certainly reinforced the role of the heads of Commission delegations, responsible for both political and aid relations.

'The public would never understand if Europe, through lack of foresight and determination, did not fulfil the role that it claims for itself in the regions adjacent to its own borders' ⁽⁶⁾.

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The Commission's involvement in Kosovo

The European Commission was also involved in Kosovo after the NATO military intervention in the region in 1999, assuming responsibility for Pillar IV of the UN Mission in Kosovo, entrusted with the task of its economic reconstruction, rehabilitation and development ⁽²⁾. The Commission attached great importance to the EU's involvement in the region, and invited the Member States to finance the establishment of an agency for the reconstruction of Kosovo in order to decentralise and improve the activities of the Commission on the ground ⁽³⁾. The European Council in Cologne (June 1999) agreed with the Commission's proposal ⁽⁴⁾, and the agency was inaugurated in January 2000 in Thessaloniki. Before the agency was set up a task force headed by DG IA official Marc Franco was established in Pristina in July 1999 to coordinate assistance and humanitarian needs ⁽⁵⁾.

From the viewpoint of the Commission the EU's presence in Kosovo and the western Balkans was a political imperative after the failure of the crisis management in the early 1990s. As argued by Jacques Santer in a letter to Jacques Chirac, in which the idea of an EU agency in Kosovo was first proposed:

⁽¹⁾ See HAEU, FL-483, DG IA, 'Note for the attention of Mr H. Post, Head of Cabinet of Mr van den Broek, Brussels', 19 September 1996.

⁽²⁾ HAEU, FL-400, 'Information note — Monthly summary of task force activities: July-August 1999', 1 September 1999.

⁽³⁾ HAEU, FL-400, 'Letter of President Jacques Santer to President Jacques Chirac', 28 May 1999.

⁽⁴⁾ Presidency conclusions of the Cologne European Council, 3 and 4 June 1999, Annex V: 'European Council Declaration on Kosovo': <http://www.consilium.europa.eu/media/21070/57886.pdf>

⁽⁵⁾ Press release IP/00/37, 'New European Agency for Reconstruction of Kosovo: first meeting of the Governing Board', 17 January 2000: http://europa.eu/rapid/press-release_IP-00-37_en.htm

⁽⁶⁾ HAEU, FL-400, 'Letter of President Jacques Santer to President Jacques Chirac'.