Macedonia (FYROM): Post-Conflict Situation and U.S. Policy

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Summary

In early 2001, an eight-month conflict between ethnic Albanian insurgent forces and Macedonian police and security forces threatened to derail the country’s fragile stability and lead to another extended conflict in the Balkans. Later that year, U.S. and European intervention led to the signing of the Ohrid Framework Agreement, which outlined a package of political reforms to expand the rights of the ethnic Albanian minority while rebel forces were disarmed and disbanded under NATO supervision. Implementation of the Ohrid agreement proceeded slowly at first but has progressed in recent years. Numerous challenges in 2004, including the accidental death of President Trajkovski and violent inter-ethnic incidents in neighboring Kosovo, threatened to increase political instability. However, an opposition-sponsored referendum on November 7, 2004, which sought to halt plans for decentralization and local governmental reforms called for under the Ohrid accords, failed due to low turnout. Municipal elections under the new redistricting plan took place in March 2005. The multi-ethnic coalition government that was elected after the 2001 conflict looks likely to complete its term until 2006.

The United States continues to support multilateral efforts to stabilize Macedonia, but has increasingly looked to the European Union to play a larger international role in the Balkans, starting with Macedonia. In March 2003, the European Union launched its first military mission in Macedonia, taking over from a small NATO presence. The EU military mission, which has also served as a test case for the EU’s ability to carry out its own defense policy, concluded its operation on December 15, 2003. The EU maintains a police training mission in Macedonia.

Macedonia’s long-term goals, shared by the United States and the international community, include full membership in NATO and the European Union. NATO has pledged to uphold its “open door policy” for NATO candidate countries such as Macedonia, Albania, and Croatia. Macedonia has concluded a Stabilization and Association Agreement with the EU, applied for EU membership in early 2004, and anticipates formally being named an EU candidate country by the end of 2005. EU and U.S. officials urged Macedonian voters to stay on track with reforms consistent with the Ohrid agreement, and praised them for endorsing Euro-Atlantic integration with the widespread boycott of the November 7 referendum. On the eve of the referendum, the United States announced its decision to recognize Macedonia by its constitutional name, the Republic of Macedonia, rather than its interim name, The Former Yugoslav Republic of Macedonia, as an expression of support to a multi-ethnic and democratic state. Its name, however, remains in dispute with neighboring Greece, and U.N.-sponsored talks to resolve the dispute are ongoing.

Related reports include CRS Report RL31053, Kosovo and U.S. Policy, and CRS Report RL32136, Future of the Balkans and U.S. Policy Concerns. This report may be updated as events warrant.
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Most Recent Developments

In the aftermath of recent key events, Macedonia seeks to consolidate progress toward its Euroatlantic integration goals in 2005-2006 and hopes to receive invitations to join NATO and the EU in that time frame. Macedonia continues to face internal and external challenges to these efforts.

In 2004, Macedonia’s political landscape faced upheaval. In early 2004, President Boris Trajkovski, a key proponent of the power-sharing deal that ended the inter-ethnic conflict in 2001, was killed in a plane accident. Former Prime Minister Branko Crvenkovski won direct presidential elections to succeed him in April. His successor as Prime Minister resigned later in the year but was replaced by Prime Minister Buckovski of the Social Democratic Party.

Later in the year, Macedonia held an opposition-initiated referendum to halt the decentralization process, a key component of the 2001 Ohrid peace process to implement power-sharing arrangements among different ethnic groups in Macedonia. On the eve of the vote, the United States formally recognized Macedonia under its constitutional name, the “Republic of Macedonia,” in a move to support the multi-ethnic Macedonian government and to the Ohrid peace process, and the referendum failed. Twice-postponed municipal elections were finally held in March 2005. International observers assessed them to be in accordance with international standards but marred by some serious irregularities.

Notwithstanding the U.S. move on recognition, U.S. and European officials have emphasized the need to resolve the longstanding dispute between Macedonia and Greece over the name Macedonia. U.N.-sponsored talks have continued. In 2005, the U.N. envoy to this process submitted a compromise proposal for consideration, but no mutually agreeable negotiated solution has yet been reached.

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1 The Former Yugoslav Republic of Macedonia is a provisional name coined by the United Nations pending settlement of a disagreement with Greece over the name of the country. This dispute has yet to be resolved. For abbreviation purposes only, FYROM shall be referred to in this report as “Macedonia.” See section on name dispute, below.
Introduction

Macedonia is a small, land-locked country in southeastern Europe, formerly part of Yugoslavia. Its population of about 2 million people includes approximately 64% Slav Macedonians, a large ethnic Albanian minority (representing about 25% of the population, according to the 2002 census), as well as some ethnic Turks, Roma (Gypsies), and Serbs. For nearly a decade after gaining independence in 1991, Macedonia managed to avoid the kind of bloody ethnic conflict that engulfed other former Yugoslav republics, and even appeared to serve as a sort of model for ethnic co-existence in the region. Nevertheless, the international community remained concerned about the possible consequences of any “spillover” of fighting into Macedonia, since it was feared that conflict once sparked in Macedonia could spread beyond its borders and lead to a regional war.

In early 2001, an ethnic insurgency threatened to derail Macedonia’s fragile stability and lead to another extended conflict in the Balkans. Ethnic Albanian guerrillas calling themselves the “National Liberation Army” (NLA, many with ties to the former Kosovo Liberation Army) claimed responsibility for a series of attacks on Macedonian police units. The incidents sparked an eight-month armed conflict between the insurgents, who claimed to be fighting for improved rights for the ethnic Albanian community, and Macedonia’s police and armed forces. The conflict spread from the border region with Kosovo to areas around the capital, Skopje.

In August 2001, European and U.S. peace envoys achieved an agreement among Macedonia’s main political parties — both Slav and ethnic Albanian — to resolve the crisis. The Ohrid Framework Agreement outlined a package of political reforms to expand the rights of the ethnic Albanian minority that was to be implemented as the rebel force disbanded and disarmed under NATO supervision. Key aspects of the agreement are outlined below. Implementation of the framework agreement at first progressed slowly and unsteadily, but consistent international support and pressure have encouraged greater stability and political normalization.

Macedonia’s current multi-ethnic government remains committed to the Ohrid process. Its surrounding region has remained relatively calm, with all western Balkan states seeking closer association with and membership in NATO and the European Union. Regional tensions could grow in the coming months and years as deliberations begin over the disputed status of neighboring Kosovo. At the international level, since September 11, 2001, U.S. and international attention and resources have shifted away from the Balkans and toward other troubled regions of the world, especially in the Middle East. The United States continues to support multilateral efforts to stabilize Macedonia, but has increasingly looked to the European Union to play a larger international role in the Balkans, starting with Macedonia. The growing EU role includes both operational elements and a broader integration strategy.

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2 For additional information about the 2001 conflict and its immediate aftermath, see CRS Report RL30900, Macedonia: Country Background and Recent Conflict.
### Ohrid Framework Agreement - Summary

The Ohrid framework agreement was signed by Macedonia’s four main political parties on August 13, 2001, and provides for a staged reshaping of inter-ethnic relations and power-sharing arrangements.

The document lists some basic principles of the Macedonian state and includes provisions on: the cessation of hostilities and the voluntary disarmament of ethnic Albanian armed groups; devolving centralized power to local administration; and reforming minority political and cultural rights. Among other things, the provisions create a “double majority” requirement in parliament (including a majority of representatives from minority populations) for passage of certain constitutional amendments and laws affecting minority rights. Local governments are granted enhanced competencies, including the right to select local heads of police, but with some centralized controls. The agreement names Macedonian as the official language of the country, but says that any language spoken by 20% of the population is also an official language. State funding for university-level education in minority languages is to be provided where that language is spoken by 20% of the population.

Annexes to the agreement outline fifteen detailed amendments to be made to the constitution and several legislative modifications to be adopted by the national assembly, some within designated deadlines (most of which were not met). Another annex invites the international community to assist in the implementation of the framework agreement, help to train and restructure the police, organize a new census, observe parliamentary elections, and convene a donors’ conference.

Full text of the agreement can be found at [http://faq.macedonia.org/politics].

### U.S. Interests

The United States has long maintained that peace and security in the Former Yugoslav Republic of Macedonia is important for Balkan stability and U.S. interests. During the 1990s, the United States remained actively engaged in multilateral efforts to prevent the spread of ethnic conflict to Macedonia, bolster Macedonian independence and state viability, and manage bilateral disputes between Macedonia and Greece. U.S. and other international leaders feared that any prolonged violent conflict involving Macedonia could swiftly become internationalized and implicate neighboring states, including NATO allies. They therefore frequently expressed support for Macedonia’s sovereignty and territorial integrity. The multi-year deployment of a small contingent of U.S. military forces to Macedonia as part of a U.N. mission in the early 1990s — the first engagement of U.S. military ground forces in the Balkans — further demonstrated the U.S. commitment to the Macedonian piece of the regional stability puzzle. When violent inter-ethnic incidents threatened to embroil all of Macedonia in early 2001, U.S. representatives played a key role in international efforts to defuse the conflict, formulate the Ohrid Framework Agreement for peace, and oversee post-conflict stabilization and peace implementation.
The United States and its European allies share the same broad goals for Macedonia, which foresee its full integration, along with other western Balkan states, into Euro-Atlantic institutions and a whole and free Europe at peace. Toward this end, successive U.S. Administrations have worked to achieve sustainable peace in the region and have promoted the open-ended enlargement policies of NATO and the European Union. At the same time, the United States has supported the gradual but steady process of shifting greater international responsibility for the Balkan region to the European Union. The EU and its member states have provided the bulk of international financial assistance to the former Yugoslavia and currently account for most of the international military forces in the region. The Bush Administration has given greater emphasis to accelerating and supporting this process, especially with U.S. attention and resources intensely focused on the global war on terrorism, Iraq, and other issues. In 2005, the Bush Administration announced a renewed focus on the region as international processes to manage the issue of Kosovo get under way. However, most observers believe that the United States must still work in concert with the European Union, since the EU represents the ultimate stabilizing prospect for countries in the region.

Unfinished Business

Notwithstanding significant changes to the global environment in recent years, the fate of Macedonia is of ongoing U.S. interest for several reasons. First, the United States remains committed to following through on processes underway in Macedonia that have come about in part due to substantial prior U.S. engagement and investment of political, economic, and military resources. The United States shares with the rest of the international community an interest in preventing a reversal of progress in Macedonia, a relapse into conflict, or weakening of the state’s long-term viability. A related goal is to stem illicit trade in drugs, armaments, and persons through the region. While a downturn in developments in Macedonia may not pose any strategic threat to the United States — as compared to global terrorism or weapons proliferation — it would run counter to U.S. goals for greater stability in the region and its peaceful integration into the rest of Europe. A Europe whole, free, and at peace, including Macedonia and the rest of the western Balkan region, remains a U.S. policy objective.

Until irreversible progress in Macedonia is secured, the United States will likely remain involved in closely monitoring developments and facilitating progress in Macedonia in conjunction with the international community. The United States continues to enjoy unparalleled influence and credibility throughout the Balkans, even as its share of international responsibilities there is steadily reduced and its visible role diminishes. Recognizing this, U.S. officials have repeatedly rejected the notion that the United States might “cut and run” from the Balkans, lest the perception of U.S. disengagement have a destabilizing impact. The United States has also solicited and received political and military support from the Macedonian government for U.S.-led operations in Iraq and Afghanistan.
Kosovo’s Future

A second reason why Macedonia continues to be relevant to U.S. interests is that its fate is widely perceived to be integrally tied with that of neighboring Kosovo, whose final political status has remained unresolved since the 1999 Kosovo conflict. Kosovo represents a focal concern of strategic interest in the region and beyond. 2005 has been dubbed the “year of decision” for Kosovo and a process to determine Kosovo’s unresolved status is expected to begin later in the year. The Bush Administration has expressed strong support for moving forward in this process, without favoring a predetermined outcome. Whatever outcome eventually emerges, resolution to Kosovo’s final status is likely to have a major impact on the entire region.

Macedonia’s leaders have neither played nor sought a direct role in Kosovo’s governing situation or final status deliberations; nevertheless, many observers believe that what ultimately happens in Kosovo could have a particularly strong impact on Macedonia. Certain scenarios for Kosovo’s final status instill concerns about Macedonia’s security and viability. Some observers fear that independence for Kosovo, for example, may inspire breakaway aspirations by Macedonia’s ethnic Albanian communities and lead to the creation of a “greater Albania/greater Kosovo.” Others are concerned that efforts to partition Kosovo could be repeated in Macedonia and lead to the country’s dismantling. There is also the concern that compromise proposals on Kosovo’s status may prompt dissatisfied ethnic Albanians to turn to extremist militant groups in Kosovo, southern Serbia, and Macedonia. An inability to resolve Kosovo’s status in the next few years, or at least prolonged uncertainty about any final outcome, could have the same effect. The fact that many possible outcomes in Kosovo theoretically remain on the table contributes to an unsettled and insecure security environment. Macedonia is deeply affected by day-to-day events in Kosovo on account of its shared borders, cross-border ethnic Albanian community ties (including links with ethnic Albanian insurgent groups), and commercial and illicit trade routes.

Test Case for European Defense

A third area of interest for the United States has been the role Macedonia has played as a test case for the development of the European Union’s Common Foreign and Security Policy (CFSP) and European Security and Defense Policy (ESDP). To date, Macedonia has served as an example of constructive U.S. - European partnership in the Balkans. U.S., NATO, and EU coordinated diplomatic activity helped to bring about the 2001 Ohrid agreement. U.S. and European officials continue to advance shared goals of stabilizing Macedonia and promoting its integration into Euro-Atlantic institutions.

Beyond foreign policy, Macedonia became the first setting for operationalizing the EU’s defense goals. Once issues regarding NATO and EU institutional and operational links were resolved (see section on international security presence, below), the United States strongly supported the handover of the NATO military operation in Macedonia to the EU in March 2003. Administration officials lauded the transfer of responsibility — occurring around the same time as the U.S. - led
invasion of Iraq — as a welcome division of labor and the “right mission” in the “right place” for NATO to hand off duties to the EU. It should be kept in mind, however, that the Macedonia mission remained small and limited, not involving an open-ended commitment of forces or a high-intensity security environment. NATO and NATO contributing countries (including the United States) have also kept a presence on the ground in Macedonia in support of NATO’s KFOR mission in neighboring Kosovo.

Post-Ohrid Political and Economic Developments

Post-OHRID Political and Economic Landscape

Macedonia’s first post-conflict elections were held on September 15, 2002, in a generally peaceful process. The leading incumbent governing party of former Prime Minister Ljubco Georgievski (VMRO-DPMNE) fared poorly, while the ten-party opposition alliance called Together for Macedonia (led by the Social Democratic Alliance - SDSM, which had governed until 1998) secured 40% of the vote. Together for Macedonia formed a majority coalition with Ali Ahmeti’s new ethnic Albanian Democratic Union for Integration (DUI) party, thus bringing about the second successive peaceful transfer of power from one group of parties to another. The inclusion in government of the DUI also symbolized the transformation of Ali Ahmeti from political spokesman of the former rebel National Liberation Army to governing party leader. The new government led by Prime Minister Branko Crvenkovski took office on November 1, 2002. Crvenkovski had previously served as Macedonia’s Prime Minister from 1992 to 1998.

Following the 2002 vote, governing party leaders repeatedly expressed their commitment to improving inter-ethnic relations and implementing the 2001 Ohrid agreement. In contrast, opposition leaders from both the Slav Macedonian and ethnic Albanian parties frequently criticized the government’s performance and prospects for inter-ethnic cooperation, with some even calling for an ethnic partition of the country.

In February 2004, President Boris Trajkovski was killed in a plane crash over Bosnia. Given his role as chief architect of the Ohrid agreement and political voice of compromise, some observers became concerned that Trajkovski’s death might derail post-Ohrid developments. Prime Minister Crvenkovski decided to run for the office of the presidency and emerged victorious after two rounds of voting in April 2004. In the second round, Crvenkovski soundly defeated the candidate of the

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4 The Organization for Security and Cooperation in Europe (OSCE) reported that the elections largely met international standards for democratic elections.

opposition VRMO-DPMNE party, Sasko Kedev, by 62.7% to 37.6%. The ethnic Albanian parties backed Crvenkovski in the second round. Turnout barely surpassed the 50% threshold for validity of the process, but opposition calls for a boycott also did not succeed. Crvenkovski pledged to represent all citizens of Macedonia and to work toward Macedonia’s entry into the EU and NATO.

After the presidential election, former Interior Minister Hari Kostov (unaffiliated) replaced Crvenkovski as Prime Minister. In November, Kostov unexpectedly resigned, citing frustration with the lack of progress in economic reforms and blaming the ethnic Albanian DUI party for obstructionist and corrupt practices. However, the multi-ethnic coalition was maintained. Former Defense Minister Vlado Buckovski replaced Kostov as Prime Minister and also became leader of the Social Democratic Party. Buckovski leads a cabinet comprised of SDSM, DUI, and Liberal Democratic members.

The state of the Macedonian economy is a major area of concern since it plays a crucial role both in the country’s post-conflict recovery and the successful implementation of the Ohrid accord. However, political instability and inter-ethnic issues have dominated much of the government’s agenda in the immediate post-Ohrid years. Former Prime Minister Kostov cited the lack of progress in implementing reforms as a primary factor leading to his resignation in November 2004. Macedonia’s economic outlook foresees steady but only limited GDP growth in the near term. GDP levels declined by over 4% during the 2001 year of conflict, grew a scant 0.7% in 2002 and recovered somewhat since then, with GDP growth reaching 3.4% in 2003 and about 3% in 2004. Rising unemployment (around 37%) remains a significant problem and disproportionately affects the minority and youth populations. Fighting corruption remains a major priority of the governing parties. Increasing foreign investment in Macedonia is another expressed priority, and is tied to Macedonia’s progress in implementing privatization. Macedonia is dependent on trade routes connecting Greece and Serbia, and is developing further east-west routes between Bulgaria and the Adriatic Sea. In 2004, Macedonian authorities concluded stand-by arrangements with the International Monetary Fund and are negotiating new multi-year agreements with the IMF and World Bank on new lending and reform projects.

Ohrid Implementation

Census. A prominent element of the Ohrid agreement was the holding of a national census that would provide a critical basis for determining ethnic representation in public sector positions and the application of minority rights.

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6 The candidacy of a key nationalist personality, former Interior Minister Ljube Boskovski of the VMRO-DPMNE, was rejected for not meeting residence eligibility requirements. See International Crisis Group. Macedonia: Make or Break, August 3, 2004. Available at [http://www.icg.org].

7 The OSCE reported some serious irregularities but said that the elections were “generally consistent” with democratic standards.

8 Upon becoming President, Crvenkovski resigned as party leader of the Social Democratic Alliance of Macedonia.
Earlier census proceedings and results had been disputed by the ethnic Albanian community, which felt that its numbers were misrepresented. After a delay, a new census was held in November 2002. International monitoring reported a successful process with limited irregularities. Delays in processing census data postponed the release of final results until December 1, 2003. A joint U.S., EU, OSCE, and NATO statement lent full international support to the census results as published. Some nationalist opposition members on both the Slav Macedonian and Albanian sides have disputed the results.

**Decentralization.** Fulfillment of the last requirement of the Ohrid accords has involved a package of laws to devolve governing power from the center to local authorities and redraw administrative boundaries at the local level. This effort reflected a critical element of the Ohrid process since it would address the ability of ethnic Albanian communities to exercise greater rights in local areas where they are concentrated. However, the decentralization process also involved base territorial issues that would affect power balances at the local level, and revived ongoing fears about possible ethnic partition.

Over the summer of 2004, the government proposed, and parliament passed (after protracted debate), legislation on reforming local self-government. The government proposals would gradually reduce the number of municipalities in Macedonia from 123 to about 80 and establish new boundaries for them. Local governments would gain greater authority over education, policing, social welfare, financing, and other policies. Ethnic Albanians would become the majority in over a dozen municipalities. Opposition parties on both sides of the ethnic divide criticized aspects of the law, and nationalist Macedonian groups predicted greater ethnic divisions to result. Especially contentious were redistricting plans for the towns of Skopje, Struga, and Kicevo, which under the new municipality boundaries would merge with surrounding ethnic Albanian villages and, in the case of Struga, revert to an Albanian majority. Supporters countered that, in addition to supporting the Ohrid process and the country’s aspirations for NATO and EU membership, the new plan would produce a greater number of ethnically mixed municipalities than before. Other groups criticized the lack of transparency exercised during government negotiations on the specifics of the law, including territorial boundaries.

**2004 Referendum.** In response to the government’s plan, Macedonian nationalist groups organized popular protests in Skopje and Struga, which brought out tens of thousands of demonstrators and which turned violent in Struga. In addition, opposition parties and the World Macedonian Congress launched a citizens’ initiative to hold a referendum on the decentralization plan with the intent to revoke it. Gathering more than 180,000 signatures on a referendum petition, well over the required limit, the initiative forced parliament to schedule a date for the referendum.

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9 State Department press release, December 1, 2003. Official results of the census reported that ethnic Macedonians comprised 64.18% of the population; ethnic Albanians, 25.17%; ethnic Turks, 3.85%; Roma, 2.66%; Serbs, 1.78%; Bosnian Muslims, 0.84%; Vlachs, 0.48%, and others, 1.04%.
The referendum was held on November 7, 2004. It presented a single question that asked voters if they favored an earlier law on the territorial organization of local self-government. The measure would be considered passed if a simple majority approved it, provided that a majority of voters turned out. A successful vote would have imposed a one-year moratorium on the government’s decentralization plans. Government officials and the ethnic Albanian parties urged voters to reject the initiative through a boycott. International officials called on Macedonian voters to reject a “turn to the past” and support the Ohrid process. On November 7, only an estimated 26% of the electorate turned out, and the referendum failed due to low turnout. Of those who voted, a large majority voted against the government’s decentralization package. Opposition groups claimed fraud, but the OSCE said the referendum was “generally consistent” with democratic standards. U.S. unilateral recognition of Macedonia’s constitutional name on the eve of the referendum (see section on name dispute, below) is credited by some as a factor contributing to the vote’s defeat.

2005 Local Elections. 84 municipalities and the capital of Skopje held two rounds of local elections on March 13 and March 27, and a partial re-run on April 10. Parties from the governing coalition performed well: the SDSM-led Together for Macedonia won 36 mayor seats and the DUI won 15 mayor seats, the best showing by far of the ethnic Albanian parties. An opposition-supported mayoral candidate won in Skopje. Turnout was above 50% for both rounds in generally calm environments.

The electoral process came under some criticism by an international election monitoring mission led by the Organization for Security and Cooperation in Europe (OSCE). The OSCE assessed that although the vote was conducted in accordance with some standards, it failed to meet established standards of universal suffrage and ballot secrecy. It reported serious irregularities in many municipalities, undermining the integrity of the process. The United States and European Union expressed disappointment with the irregularities reported during both rounds and emphasized the need to rectify shortcomings to ensure the integrity of future electoral processes. The EU also specified that adherence to democratic standards such as free and fair elections was an essential prerequisite to closer relations to the EU.

Following the elections, the decentralization process will go forward with the transfer of competencies from center to local councils. The government has prepared a detailed implementation plan for the transfer of powers, including control over some revenue collection, education, and public sector employment. The first stage of the transfer process is to take place in July.

10 Opposition Albanian parties supported the boycott but also opposed the new law on local self-government.

Inter-Ethnic Outlook

Many international observers welcomed the invalidation of the November referendum and believe that Macedonia would have suffered serious setbacks on many fronts had it succeeded. Even with the failed referendum, some observers believe that the recent debates over decentralization revealed ongoing political and societal fissures, not yet healed after the 2001 insurgency, that could hinder further development and reforms. On the other hand, the defeat of the referendum and further progress in implementing decentralization may point to new opportunities for dialogue on inter-ethnic issues and forward progress in reforms. Macedonia’s political leaders have recommitted to moving forward on Macedonia’s strategic goals of entry into the EU and NATO, which enjoy overwhelming public support.

Political stability in Macedonia is enhanced by the governing coalition’s majority strength in parliament, even though it remains fraught with internal divisions. Meanwhile, the opposition parties continue to struggle with their own divisions and have proven willing to fanning nationalist sentiment for political gain. An ongoing challenge for Ahmeti’s DUI party is to demonstrate that it can advance ethnic Albanian interests inside the government. Inter-ethnic tensions may also resurface in the context of a deteriorating economic situation.

The threat posed by residual armed ethnic Albanian extremist groups persists but appears more remote now than in 2001-2002. The most prominent extremist group in the post-conflict scene has been the so-called Albanian National Army (ANA), a radical group claiming to seek the unification of ethnic Albanian lands. Splinters of the old National Liberation Army (NLA) are also thought to be active. Such groups and individuals appear to enjoy little broad-based public support, but are funded by criminal activity and diaspora support. They reportedly overlap extensively with criminal groups involved in cigarette smuggling, kidnapping, and trafficking in arms, drugs (mainly heroin), and persons. In 2002-2003, the Albanian National Army claimed responsibility for a series of targeted terrorist attacks in Macedonia, Kosovo, and southern Serbia, prompting the U.N. Mission in Kosovo to label it a terrorist organization. Some unidentified Albanian militants were spotted during the November 2004 referendum. The prevalence of small arms throughout Macedonia, despite international efforts to encourage disarmament, remains a concern. However, the fact that the outbreak in March 2004 of violent inter-ethnic riots in neighboring Kosovo, mainly against ethnic Serb communities, did not spill over into Macedonia has been seen as a positive sign that extremist violence can be contained.

In late 2004, armed ethnic Albanian militants briefly claimed control over Kondovo, a suburban town outside of Skopje. The paramilitaries took up arms reportedly in protest of the ongoing treatment of ethnic Albanians and limited amnesty granted to former militants. The situation in Kondovo was defused in December without a major military response by the government. Instead, negotiations with leading ethnic Albanian political leaders led the rebels to agree to

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disband and de-militarize the town. In June 2005, another incident occurred in Kondovo involving the detention and beating of Macedonian policemen. The leader of the armed group in Kondovo, Agim Krasniqi, has reportedly re-established Kondovo as a base.

**International Policy**

**International Security Presence**

Macedonia has had experience with foreign forces on its territory for nearly its entire existence as an independent country. Compared with Bosnia and Kosovo, the international military presence in Macedonia remained small in scale, under a varying succession of mandates. During the wars of Yugoslav secession in the 1990s, the United Nations sent its first “preventive deployment” mission of international peacekeepers to Macedonia to boost stability in the country and to discourage conflict spillover. The small U.N. mission, which included a U.S. military contingent, was in place from 1993 until 1999. In advance of and during the 1999 Kosovo conflict, NATO deployed thousands of troops to Macedonia in support of Operation Allied Force and in preparation for the deployment of KFOR, NATO’s peacekeeping force in Kosovo. KFOR has retained a rear headquarters in Macedonia for logistical and communications functions. Some KFOR participating nations have also kept national support elements in Macedonia.

In response to the 2001 conflict in Macedonia, NATO first carried out Operation Essential Harvest, a limited mission of about 4,000 troops to supervise the demilitarization and disarmament of ethnic Albanian rebel forces. As a follow-up mission, NATO launched the smaller Operation Amber Fox to provide a monitoring presence and security for international civilian personnel overseeing implementation of the framework agreement. An even smaller mission, Allied Harmony, took over for Amber Fox in December 2002, providing continuity in NATO’s military presence and contributing to a stable environment in Macedonia. The United States did not contribute forces to the post-Ohrid NATO missions in Macedonia, but did provide them with logistical and other forms of support.

Beginning in 2002, the European Union developed plans to take over the military mission in Macedonia from NATO, under the EU’s nascent European Security and Defense Policy (ESDP). Unresolved issues on general principles of security cooperation between NATO and the EU held up further movement on the EU plans for several months. In late 2002—early 2003, NATO and the EU formalized principles for establishing institutional links, including EU access to NATO assets and support, under an arrangement dubbed “Berlin Plus.” Thereafter the Macedonian government invited the EU to assume responsibility for the follow-on force to NATO’s Operation Allied Harmony.

On March 31, 2003, NATO formally handed over the Macedonia military mission to the European Union’s Rapid Reaction Force. Operation Concordia represented the EU’s first military operation and first demonstration of the Berlin Plus arrangement. The operation comprised about 350 troops from over two dozen
EU and non-EU countries, with France contributing roughly half of the force. German Admiral Rainer Feist, NATO’s Deputy SACEUR, was the operational commander. EUROFOR, the European Operational Rapid Force,\textsuperscript{13} assumed operational command of Concordia from France on October 1, and Portuguese General Luis Nelson Ferreira Dos Santos became the force commander. Operation Concordia drew upon support from NATO command facilities at the Supreme Headquarters Allied Powers Europe (SHAPE) and NATO operational reserves already located in Macedonia. Concordia’s mandate was limited at first to six months, but was later extended to December 15, 2003. NATO, meanwhile, retained a separate military and civilian advisory role in Macedonia as part of its NATO Headquarters Skopje mission. NATO closed out its civilian office in June 2004; a military advisory team remains at NATO Headquarters Skopje to assist in security reforms and provide logistical support to forces in Kosovo.\textsuperscript{14}

The European Union described Operation Concordia as one component of its larger and multi-faceted commitment to Macedonia, which includes economic assistance and EU-association benefits. Beyond Macedonia, the EU’s ground-breaking Concordia operation served as a test case for other EUFOR operations. Notably, the EU assumed military peacekeeping duties from NATO in Bosnia in December 2004.\textsuperscript{15} As the EU builds its military capabilities and considers additional missions beyond EU borders in the future, it will draw on its initial experiences in Macedonia.

**Proxima.** In advance of Operation Concordia’s December 15, 2003 termination date, the EU and the Macedonian government considered options for a new EU presence. They agreed to establish an EU police mission (EUPOL), called Proxima, in Macedonia consisting of about 200 civil police officers and resembling the EU police mission in Bosnia. The new mission is focused on training local police forces rather than on enforcing policing, border security, or other law enforcement duties. EU police experts “monitor, mentor, and advise” the Macedonian government and local Macedonian police and support their development as an efficient, well-trained, professional, and multi-ethnic police service.\textsuperscript{16}

The EU formally approved of the Proxima police mission on September 29, 2003, which began on December 15, for a period of one year. In October 2004, the EU Council extended Proxima’s mission for a second year, or until December 2005. The Proxima mission was first led by Mr. Bart D’Hooge, a police officer from the Netherlands, who was replaced by German Brigadier General Jürgen Paul Scholz in

\textsuperscript{13}Eurofor was established in 1995 and is comprised of French, Italian, Portuguese, and Spanish troops. It is a separate body from EUFOR, the EU’s 60,000 strong Rapid Reaction Force.


\textsuperscript{15}For further information, see CRS Report RS21774, *Bosnia and International Security Forces: Transition from NATO to the European Union in 2004*, by Julie Kim.

\textsuperscript{16}European Council meeting on external relations, Press Release 12294/03, Sept. 29, 2003. See also Proxima home page at [http://www.eupol-proxima.org].
December 2004. The mission is comprised of 140 unarmed international police officers and 30 civilian staff from EU member and candidate countries, as well as 150 staff from the host nation. Its activities are focused on three programs: public order, organized crime, and border police.

The EU mission supplements the police development activities of the Organization for Security and Cooperation in Europe (OSCE), which has been actively involved in a range of peace implementation tasks, including police training. NATO continues to provide support to the EU mission, but moved into a “minimum presence” in Macedonia, reflecting the end of international military operations in the country. The EU also maintains a Special Representative in Skopje.

Macedonian officials have expressed satisfaction with the evolution of the EU missions and note that the country’s greater need lies in the area of police reform rather than an external military presence. They were pleased to bring to a close the extended chapter of Macedonian dependence on foreign intervention and sought to emphasize the country’s return to relative stability and normalcy.17

**NATO Integration**

In addition to NATO’s continuing advisory role on the ground, Macedonia maintains ties with NATO through institutional associations such as NATO’s Partnership for Peace (PFP), the Euro-Atlantic Partnership Council (EAPC), and the Membership Action Plan (MAP) for countries seeking NATO membership. Macedonia is among the so-called “Vilnius Group” of ten central and east European countries that came together in 2000 to promote their collective entry into the alliance. At the Prague summit in November 2002, NATO heads of state and government extended invitations to seven of the Vilnius Group countries and upheld NATO’s “open door” policy to other candidate countries.18 At the Istanbul summit in June 2004, NATO reaffirmed its Open Door policy and commended the Adriatic Charter countries for their progress in reforms and contributions to regional stability and cooperation.19 However, no new invitations were issued. For their part, Macedonian officials have set 2006 as a target date for receiving an invitation to join the alliance.

Officials from NATO member countries have frequently praised Macedonia’s progress in implementing defense-related reforms. U.S. officials have noted that Macedonia’s involvement in the Adriatic Charter (see section on regional relations, below) and participation in military operations in Afghanistan and Iraq demonstrate Macedonia’s commitment to contributing to international security and would factor

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17 In this position the Macedonian government differs with local authorities in Bosnia and Kosovo, who both support a continued external military presence on their respective territory to provide for a secure environment.


European Union Integration

A key strategic goal for Macedonia, as well as for other western Balkan countries, is to intensify ties with the European Union and eventually gain EU membership. In May 2004, the EU welcomed ten additional countries into the union as full members, including Slovenia, a former republic of Yugoslavia. The EU has confirmed in principle the prospect of additional countries entering the union in the future.\(^2^1\)

At their June 2003 Thessaloniki summit, EU leaders reiterated their “unequivocal support” to the EU aspirations of the western Balkan states and referred to the accession process as “irreversible.” At the same time, EU leaders emphasized the primary responsibility of the Balkan states to implement reforms in order to address significant challenges and eventually to meet EU political and economic entry criteria. They highlighted the region’s problems of organized crime, corruption, and illegal immigration. EU leaders agreed to increase CARDS (Community Assistance for Reconstruction, Development, and Stabilization) assistance to the region by 200 million euro over three years. Some critics charged that the EU, while delivering a welcoming long-term vision, remained weak on specific incentives or encouragement. Supporters of EU policy counter that the pull of the EU perspective provides a powerful incentive for reforms. They also argue there can be no shortcut to the difficult and lengthy process of comprehensive reforms and alignment that all countries must go through in order to achieve EU membership.

Macedonia was the first country to conclude a Stabilization and Association Agreement (SAA) with the EU in 2001 (the SAA entered into force in April 2004). The EU launched the Stabilization and Association process in 1999 in order to provide a long-term integration strategy, if not a roadmap, for the five countries of the conflict-ridden western Balkan region.\(^2^2\) The SAA (the key component of the initiative) provides for increased access to EU markets and EU assistance, and represents the first manifestation of formal association with the union, but does not mark the start of accession negotiations. In its Stabilization and Association progress report from March 2004, the European Commission praised evidence of political stability in Macedonia and urged further progress in implementing remaining


\(^2^1\) For additional information on EU enlargement, see CRS Report RS21344, European Union Enlargement.

\(^2^2\) The countries are Albania, Bosnia-Herzegovina, Croatia, Macedonia, and Serbia and Montenegro.
political reforms. It noted serious economic weaknesses that pose increasing challenges to the transition process.23

The Macedonian government formally submitted its application for EU membership on March 22, 2004. On October 1, outgoing European Commission President Romano Prodi delivered to Skopje a comprehensive accession questionnaire that will provide input toward the Commission’s eventual “opinion,” or evaluation of the country’s preparedness for EU candidacy. The Macedonian government delivered its responses to the EU questionnaire in February 2005. Current EU enlargement commissioner Olli Rehn has stated that, depending on its level of progress, Macedonia could be granted EU candidate status by the end of 2005. Key areas of concern include judicial reforms and rule of law issues, including Macedonia’s ability to meet standards of electoral practices. Some observers have also expressed concern that the projected timetable for Macedonia’s accession could be at risk as a result of the EU’s current constitutional crisis and some popular concern in EU member states about the pace of EU enlargement.

Regional Relations and Kosovo

The Macedonian leadership has actively promoted regional cooperation and regional approaches to common challenges like organized crime, trafficking, and illegal immigration. It has also embraced a regional strategy for achieving economic integration and closer ties to NATO and the EU. At the Prague NATO summit in November 2002, the Presidents of Albania, Croatia, and Macedonia proposed to President Bush the creation of a U.S.-Adriatic Charter, modeled after the U.S.-Baltic Charter (established in 1998). The Adriatic Charter initiative aims to deepen regional cooperation, promote reforms, and thereby improve the collective integration prospects of the three countries. U.S. partnership in the initiative underscored U.S. support for the region’s ultimate goal of integrating with NATO and the EU. Former Secretary of State Powell and the foreign ministers of the three countries met on May 2, 2003, in Albania, to sign the Adriatic Charter, and called it a guide toward full membership in NATO and other European institutions.24

During the 1999 Kosovo conflict, tens of thousands of Kosovar Albanian refugees fled to Macedonia. Most returned to Kosovo swiftly after the withdrawal of Serbian forces from the province that summer. Since then, Macedonian governments have consistently expressed support for international efforts to stabilize neighboring Kosovo. Macedonia has endorsed the international community’s policy of achieving “standards before status” in Kosovo, with an emphasis on improving stability in the province and surrounding region. Macedonian leaders have vowed to remain neutral in upcoming anticipated talks on Kosovo’s final status, but have urged that any outcome not become a destabilizing factor in the region. Macedonian officials maintain concerns about security on the northern border (neighboring Kosovo and Serbia) and consult regularly with the Serbian government and UNMIK.

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and NATO personnel in Kosovo about border security. According to Macedonian and NATO officials, the border security situation has been generally stable, although a dispute over the demarcation of the border between Kosovo and Macedonia remains unresolved. The Macedonian government has urged that the border demarcation issue be resolved before the process to resolve Kosovo’s status begins.

**Name Dispute**

Macedonia has been in a dispute with Greece over use of the name “Macedonia” ever since it declared independence in 1991. Macedonia has asserted its right to use and be recognized by its constitutional name, the Republic of Macedonia. Greece has objected to its northern neighbor’s use of the name “Macedonia,” claiming that it usurps Greece’s heritage and implies territorial ambitions at Greece’s expense. Macedonia entered the United Nations in 1993 under the provisional name of The Former Yugoslav Republic of Macedonia (FYROM). Overcoming a stretch of tense relations and a Greek trade embargo, Athens and Skopje signed a bilateral agreement in September 1995 that normalized relations and settled all outstanding issues except for the name. Since then, Macedonian and Greek representatives have met periodically under U.N. auspices to continue consultations on the name disagreement, but no mutually acceptable solution has yet been reached. U.S. diplomat Matthew Nimetz has acted as the U.N. Secretary-General’s personal envoy in these talks for the past several years.

During the U.N. General Assembly meetings in September 2004, media reports suggested renewed efforts to reinitiate international negotiations on the dispute. With the completion of certain major events such as the Greek general elections, Summer Olympic games, and the Macedonian presidential election, some observers identified a potentially favorable window for a resolution to this dispute, especially in view of the anticipated international focus on the status of Kosovo in 2005. Ambassador Nimetz expressed confidence about the mutual good will for further negotiations.

On November 4, 2004 (a few days before the scheduled referendum in Macedonia on decentralization), the U.S. State Department announced that the United States had decided to refer to Macedonia officially as the Republic of Macedonia. The State Department spokesman said the decision underscored the “U.S. commitment to a permanent, multi-ethnic, democratic Macedonian state within its existing borders” and U.S. support for the Macedonian government’s “courageous decision to carry through with decentralization.” He emphasized that the recognition decision was taken without prejudice to the U.N. negotiation process and was not directed against any other country. However, the decision sparked bitter protestations from the government of Greece. After the referendum, the U.S. spokesman praised

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25 See also CRS Report RS21855, *Greece Update*, by Carol Migdalovitz.
the outcome and expressed the Department’s belief that U.S. recognition contributed to the Macedonian voters’ choice to support the Ohrid framework document.\textsuperscript{27}

Despite the lack of a negotiated resolution, the ongoing dispute appeared to have little impact on other aspects of Greek or European policy vis-à-vis Macedonia since 1995. Greece is a key trading and investment partner with Macedonia and has a growing stake in Macedonia’s stability. Within the EU, Greece has acted in the past as a proponent of EU engagement in and assistance to Macedonia. During its six-month tenure holding the EU Presidency in the first half of 2003, Greece sought to add impetus to the EU’s approach in the Balkans and promote EU efforts to improve Balkan security and stability. The Greek presidency’s efforts culminated in the June 2003 Thessaloniki summit of EU and western Balkan leaders, which issued a joint declaration on promoting the security and eventual EU integration of the Balkan states. In the aftermath of the shift in U.S. policy on recognition of Macedonia, however, the Greek government reiterated that a mutually agreeable solution on the name dispute must be found before Greece would approve a decision in either the EU or NATO on Macedonia’s accession.\textsuperscript{28} Officials in both institutions have pressed for the parties to come to a mutually acceptable solution as soon as possible.\textsuperscript{29}

Ambassador Nimetz has continued to hold talks with Greek and Macedonian representatives. In April 2005, Nimetz confirmed that he had submitted a compromise “set of ideas” for consideration by the parties. The Nimetz proposal reportedly included a change in Macedonia’s internationally recognized name to “Republika Makedonija-Skopje” (untranslated), as well as a set of principles guiding cooperative relations between Greece and Macedonia. In response, Greek officials said that they would accept the proposal as a basis for further negotiations. Macedonian officials called the proposal “unacceptable” and rejected the notion of changing its constitutional name. They maintain that a resolution to the dispute should follow a dual formula, or one in which an agreement with Greece on a name would apply only to bilateral relations. Both sides agreed to continue bilateral talks and Nimetz has since held further consultations, without any breakthrough.

\textbf{Other U.S. Policy Issues}

Several additional U.S. policy priorities relate directly or indirectly to Macedonia. For example, Macedonia has played a small but symbolic and steady role with regard to the global war on terror and evolving situation in Iraq. Prior to the U.S.-led invasion of Iraq in March 2003, foreign ministers from the ten-nation Vilnius Group of NATO candidate countries, including Macedonia, signed a joint statement supporting U.S.-led efforts to disarm Saddam Hussein. Their position contrasted sharply with the opposition expressed by France and Germany to military action in Iraq. In the post-war environment, the United States has sought to increase international participation in peacekeeping efforts in Iraq. Macedonia, along with

\textsuperscript{27} State Department regular news briefing, November 4, 2004 and November 8, 2004.

\textsuperscript{28} Athens news agency, November 5, 2004.

\textsuperscript{29} For example see EU Council meeting of April 25, 2005 (8036/05 Presse 87).
most countries in east central Europe and Eurasia, agreed to send forces to the U.S.-led international coalition. A special forces unit of about 30 Macedonian troops currently serves in Iraq. About 20 Macedonian troops also serve in the International Security Assistance Force (ISAF) in Afghanistan, commanded by NATO. U.S. officials have frequently commended Macedonia’s support to the United States in the global war on terrorism, including Defense Secretary Rumsfeld during a visit to Macedonia in October 2004.

Without specifying individual country preferences, U.S. officials have expressed continued support for NATO’s Open Door policy with regard to future candidate countries. With NATO’s latest round of enlargement in 2004, the western Balkan states are now surrounded by NATO members. The United States has encouraged Macedonia’s participation in NATO’s Membership Action Plan, which helps candidate countries prepare for NATO membership. U.S. participation in the Adriatic Charter initiative reflects U.S. support for efforts by Macedonia, Croatia, and Albania to advance their integration into NATO.

The United States maintains targeted sanctions against extremist individuals and groups that threaten peace and stability in the Balkans. Executive Order 13304 blocks the assets of 150 designated persons and groups (mostly from Bosnia) and prohibits most transactions with them. The list extends to many dozens of individuals identified from Macedonia and other western Balkan countries and includes the Albanian National Army, which the Administration has labeled a criminal extremist group. The United States may also impose sanctions against countries that fail to take measures to counter transnational trafficking of persons. The western Balkan region is a transit and destination point for trafficked women and children. The State Department’s 2005 report on global trafficking in persons designated Macedonia to be a “Tier 2” country, or one whose government does not fully comply with the minimum standards for the elimination of trafficking. The report dropped Macedonia from Tier 1 in 2004 to Tier 2 because of its “lack of progress in strengthening its anti-trafficking efforts.”

The United States continues to provide bilateral assistance to Macedonia under the Support for East European Democracy (SEED) Act. Originally authorized to assist transition efforts of the central European countries, SEED Act assistance is now almost exclusively targeted on countries in the western Balkan region. Macedonia was allocated about $39 million SEED Act funds in FY2004 and $34 million in FY2005. The Administration requested $39 million in SEED assistance for FY2006. The United States also provides security assistance (FMF and IMET), anti-terrorism assistance, and a Peace Corps program to Macedonia. U.S. programs in Macedonia seek to facilitate and strengthen the reform process outlined by the Framework Agreement, and furthering Macedonia’s transition to a market-based economy, democratic consolidation, and integration into NATO and the EU.

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31 The 2005 State Department report can be found at [http://www.state.gov/g/tip/rls/tiprpt/2005].
Macedonia has nondiscriminatory trading status (NTR) with the United States and is eligible for Generalized System of Preferences (GSP) benefits.

Another priority for the Bush Administration has been to secure bilateral agreements with countries that are parties to the International Criminal Court (ICC) on exempting U.S. personnel from possible extradition to the ICC. Congress has conditioned the provision of U.S. military assistance to non-allied countries on such exemption agreements (dubbed “Article 98” agreements after a provision in the ICC’s Rome Statute). The Macedonian government concluded a so-called “Article 98” exemption agreement with the United States in June 2003; as a result, President Bush waived the prohibition on U.S. military assistance with respect to Macedonia.32 The Administration obligated about $8 million in Foreign Military Financing and $0.7 million in International Military Education and Training program funds for Macedonia in FY2004; and $6.5 million in FMF and $0.65 in IMET for FY2005. In contrast, the European Union, whose members strongly support the ICC, has opposed the U.S. effort to secure these bilateral agreements and expressed regret about Macedonia’s agreement with the United States. Macedonia’s actions on this issue suggest to some observers continued strong U.S. political influence over Macedonia’s government.

Issues for Congress

Many of the policy issues outlined above are of direct or indirect concern to Congress. Previous Congresses have generally supported, and occasionally insisted on, shifting greater international responsibility for peacekeeping and reconstruction in the Balkans to the European Union. While Members of Congress may be divided on the question of a full withdrawal of U.S. forces from Bosnia or Kosovo, the handover of the Macedonia mission from NATO to EU hands in early 2003 was seemingly uncontroversial. More controversial was the Administration’s move in November 2004 to recognize Macedonia by its constitutional name. For example, Senator Sarbanes issued a statement calling the decision inopportune and counter-productive.33 Some Members have urged the parties to reach a mutually acceptable solution.

A primary issue of regional interest in Congress is the future of Kosovo. Many Members have gone on record in support of independence for Kosovo, and such an outcome may carry significant implications for neighboring Macedonia. Congress is also interested in the future of NATO enlargement, including NATO’s decisions on future candidates and the ability of candidates states such as Macedonia to meet NATO standards for membership and contribute meaningfully to the alliance.

Legislation. In the first session of the 108th Congress, the House passed H.Con.Res. 209, a concurrent resolution commending the signing of the United States-Adriatic Charter, on June 23 by a vote of 381 to 1. The Senate agreed to

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32 For more information on the Article 98 agreements, see CRS Report RS21612, East Central Europe: Status of International Criminal Court (ICC) Exemption Agreements and U.S. Military Assistance, by Julie Kim.

H.Con.Res. 209 with amendments on July 29. In February, the Senate passed S.Con.Res. 4, commending the support of 18 European nations, including Macedonia, for Iraq’s full compliance with U.N. Security Council Resolution 1441, and their expressions of solidarity with the United States. In the second session, the House passed a resolution (H.Res. 558) in March 2004 that welcomed the accession of seven countries into NATO, called for the process of NATO enlargement to remain open, and recommended a NATO summit to review the applications of Albania, Croatia, and Macedonia by 2007. The House and Senate passed separate resolutions (H.Res. 540 and S.Res. 314) in March 2004 expressing condolences for the untimely death of Macedonian President Boris Trajkovski and commemorating his leadership. In November 2004, the House introduced H.Con.Res. 530, which encouraged Greece and Macedonia to continue negotiations to determine a mutually acceptable official name for Macedonia.