**Situation Analysis**

Both countries, Bosnia-Herzegovina and Kosovo remain the main target areas for EU and NATO peace support missions, as the security situation is still considered potentially fragile. In terms of the EU and NATO integration processes, Bosnia-Herzegovina and Kosovo represent the rear light in the Western Balkans. In both countries, the democratic consolidation of multi-ethnic state institutions – to which there is no meaningful alternative – is proving difficult. This is not least due to the non-consolidated or ambivalent relations with some of their neighbouring states.

**Current Challenges in the Context of Bosnia-Herzegovina**

In the pre-election year Bosnia-Herzegovina finds itself in the worst political composition for a long time. The political discourse is nationally heated and characterised by mutual accusations. Some Serb politicians even use the generally negative political climate to strengthen their separatist propaganda.

At the political level, there is currently no leader who is able or willing to engage in a constructive discourse on the fulfilment of the EU’s 14 key priorities in order for Bosnia-Herzegovina to be granted candidate status. The situation is similar with regard to the fulfilment of the 5+2 Conditions for the termination of the mandate of the Office of the High Representative.

International influence also makes meaningful consolidation steps difficult in some cases. For example, the Russian representative in the Peace Implementation Council explicitly opposed the appointment of the new High Representative Christian Schmidt, which in turn spurred obstructive political forces in the Bosnian-Herzegovinian entity Republika Srpska to do the same. Meaningful joint initiatives by the EU and the USA to support a constructive consolidation course in Bosnia-Herzegovina, which also draws clear red lines vis-à-vis destructive political forces, are still a long time coming, apart from Western commitments to the territorial integrity of Bosnia-Herzegovina as a whole.

However, Bosnia-Herzegovina’s consolidation not only depends on improving internal relations, but also on constructive bilateral relations with its immediate neighbours Croatia and Serbia. In both cases, relations remain strained from Sarajevo’s perspective. Zagreb demands the implementation of electoral reform along the lines of the most influential Croatian national party in Bosnia-Herzegovina, HDZ BiH. This party wants to cement its political power through additional ethnicisation of the electoral law. Belgrade, on the other hand, pursues an ambivalent policy of simultaneously – declaratively – advocating good relations with Sarajevo and supporting the de facto separatist policy of the ruling Serbian party in Bosnia-Herzegovina, the Alliance of Independent Social Democrats.

In another of Bosnia-Herzegovina’s neighbours, Montenegro, the adoption of a parliamentary resolution condemning the Srebrenica genocide has widened the political and ethnic divide there. Bilateral relations between Bosnia-Herzegovina and Kosovo are bedevilled by the non-recognition of Kosovo’s state independence. There is no potential for political conflict between Sarajevo and the government of North Macedonia.

**Current Challenges in the Context of Kosovo**

In Kosovo, the population has great expectations that the government of Albin Kurti will get the corruption problem under control. His government has a high degree of legitimacy in this respect. There is, however, also a high risk of disappointed expectations if Kurti cannot implement his agenda.

In relations with Serbia and international actors, Kurti is likely to take a tougher stance than was the case in the political era of the former President Hashim Thaçi. Two examples of this are Kurti’s rejection of parts of the Washington Agreement of September 2020 and his criticism of Thaçi’s agreement with NATO that the Kosovo Security Force may not enter the territory of northern Kosovo without NATO’s prior consent.
No rapid progress can be expected in the resumed dialogue with Serbia. Neither Kurti, for whom dialogue is not a foreign policy priority, nor Serbian President Aleksandar Vučić, who is in a pre-election year, have any interest in substantial results in the foreseeable future. Kurti unrealistically insists on immediate recognition by Belgrade, which he simultaneously accuses of genocide. Serbia in turn, just as unrealistically, demands the immediate installation of the Serbian association of municipalities in Kosovo, without even presenting a concrete political concept of the competencies this association should have.

The dialogue conducted in this manner is therefore currently at the level of two different propagandistic narratives presented to the Serbian and the Kosovo-Albanian population. There are currently no confidence-building measures or common goals. According to representatives of the Kosovo Serbs, this negative political atmosphere also has a negative impact on interethnic relations in Kosovo. Attacks against Serbs are said to be on the rise again.

The EU’s low credibility, from the Kosovar government’s point of view, concerning the issue of visa liberalisation reduces the EU’s potential as a mediator in the dialogue. A stronger role for the US in the mediation process, but one that is coordinated with the EU, would therefore make sense.

In the regional context, the stagnation of dialogue between Belgrade and Pristina/Priština increases the risk of strengthening nationalist ideas. Examples of this are the fantasies of Serbian Interior Minister Aleksandar Vulin about Vučić as president for all Serbs and Serbia also as a military protector of all Serbs in the region. In contrast, the idea of a unification of Albania and Kosovo is gaining more and more support in these two states.

Policy Recommendations

General Recommendations

- **Western Balkan governments**: The condemnation of war crimes and crimes against humanity must be a state policy in all Western Balkan countries, but mutual accusations of genocide prevent any improvement of regional cooperation and additionally complicate the process of European integration.

- **Western Balkan governments**: In general, bilateral problems stemming from the Yugoslav wars of the 1990s should not be used to block other Western Balkan states in the EU integration process, but should be resolved through political dialogue.

- **EU**: Stagnation in dialogue processes must not lead to increased tolerance of nationalist aspirations. Instead, regional reconciliation initiatives in the Western Balkans, such as RECOM, should again be supported more proactively.

With Reference to Bosnia-Herzegovina

- **EU/US**: The start of Christian Schmidt’s mandate as High Representative should be used by the EU and the US to send a strong joint signal in support of a multi-ethnic state of Bosnia-Herzegovina. This should include a clear threat of sanctions against political forces that jeopardise the Dayton peace process.

- **Croatian government**: The EU member state’s support for Croatian electoral demands in Bosnia-Herzegovina should take more account of the fact that parts of the local population who do not belong to the so-called ‘constituent peoples’ face massive restrictions on their right to stand for election.

- **Serbian government**: Cooperative relations with the state of Bosnia-Herzegovina would require Belgrade to clearly distance itself from the separatist rhetoric of the current government in the Republika Srpska entity.

With Reference to Kosovo

- **EU/US**: The dialogue between Belgrade and Pristina/Priština needs a joint EU-US negotiating format. Confidence-building measures and the elaboration of common interests should be the first priority in order to stop the further spread of hostile negotiation narratives.

- **Kosovo government**: Regardless of the difficult course of the dialogue with Belgrade, the dialogue with the Serbian population in Kosovo must be intensified, especially against the background of a worsening perception of security among this population group.

- **Serbian government**: Belgrade’s demand for the creation of a Serbian association of municipalities in Kosovo should be accompanied by a concrete proposal as to what tasks and competences this association of municipalities should have.

These policy recommendations reflect the findings of the 40th RSSEE workshop on “Regional Views on Current and Upcoming Challenges in Bosnia-Herzegovina and Kosovo”, convened by the PfP Consortium Study Group “Regional Stability in South East Europe” in Reichenau/Rax, Austria, 5 – 7 July 2021. They were prepared by Predrag Žureković (Austrian National Defence Academy, Vienna) on the basis of the proposals submitted by the participants. Valuable support in proofreading and layouting came from Benedikt Hensellek and Mirjam Habisreutinger (Austrian National Defence Academy, Vienna).