

Central European Update

Czech Republic

The newly appointed prime minister, **Jiri Paroubek**, has asked for a confidence vote for his government to be held on 13 May. A deal has been reached within the ruling coalition to allow the Social Democrats to choose who will fill the post of deputy foreign minister, thus gaining the support of all 70 Social Democrat MPs in the upcoming confidence vote.

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The Czech National Bank has cut interest rates to their lowest level ever, with the repo rate down by a quarter percentage point to 1.75 percent. Analysts expect that the cuts will curb any further strengthening of the crown and spark economic growth by bringing down the cost of credits and mortgages.

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On 4 May, Czech Foreign Minister **Cyril Svoboda** and Czech European Commissioner **Vladimir Spidla** spoke in the Senate during a conference marking the one-year anniversary of the country's accession into the EU. The two officials tried to dispel fears about the European constitution and its effect on the sovereignty of member states. Svoboda asserted that the document's ratification should be decided in parliament, while Czech President **Vaclav Klaus** has been continuously pushing for a referendum. Klaus is one of the sharpest critics of the EU constitution and recently clashed

with members of the European Parliament over the issue. The government will debate the constitution this month and discuss how to ratify it.

Poland

Polish President **Aleksander Kwasniewski** has decided to attend the 9 May celebrations in Moscow, after the Sejm Committee on Foreign Affairs rejected a draft resolution calling on the president not to travel to Russia for the anniversary. The issue of the Polish president's visit to Moscow has caused much controversy with regard to historical interpretations of the event and its implications for Polish-Russian relations. The presence of other leaders, including Belarusian President **Alyaksandr Lukashenka** has also fueled the public debate.

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Prime Minister **Marek Belka** announced plans to resign from his post on 6 May 2005 after parliament voted down his proposal to dissolve the government and call for new elections. President **Aleksander Kwasniewski** has already asserted that he will refuse the resignation to avoid a political crisis ahead of the 16-17 May meeting of the Council of Europe that will be hosted by Poland.

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On 5 May, Israeli Prime Minister **Ariel Sharon** arrived in southern Poland, where he joined a Holo-

caust memorial ceremony at the former Auschwitz-Birkenau Nazi death camp. Some 20,000 people marched at the ceremony, known as the March of the Living, which commemorates the victims of the Holocaust during World War II. Sharon flew to Poland with 20 Holocaust survivors who emigrated to Israel, and with another 20 of their grandchildren who are serving in the Israeli army. Following the ceremony, Sharon held talks with Polish Prime Minister **Marek Belka**.

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The Agency for the Reconstruction and Modernization of Agriculture reports that one year after EU accession, 85 percent of Polish farmers have received subsidies amounting to about 1.78 billion euros. The funds come from the 659.9 million Europe allocated in the EU budget for the purpose, as well as additional funds from the Polish budget and from the EU rural development program.

Hungary

Speaking in front of the parliamentary European Affairs committee on 3 May, Foreign Minister **Ferenc Somogyi** stressed Hungary's support for the integration of Ukraine into the European community. He stated that, "Ukraine's ongoing radical democratic transformation and internal stability requires the EU to send an unambiguous posi-

tive message to Ukrainian policymakers and society, going beyond the original goal of privileged partnership."

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Eliminating compulsory medical examinations will be an important planned change in the law, which sets regulations for foreign citizens wishing to obtain a visa to Hungary. The amendment is expected to decrease the processing time for visa applications.

Slovakia

One year after joining the EU, Slovakia termed its membership "very successful." Slovak President **Ivan Gasparovic** emphasized that the world views very positively the reforms undertaken in his country. Asked about future challenges facing the EU, Foreign Minister **Eduard Kukan** emphasized the necessity to integrate Turkey and Croatia, as well as supporting Ukraine to become a candidate for membership.

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Speaker of Parliament **Pavol Hrusovsky** met members of the U.S. Congress on his visit to Washington last week. The purpose of his talks with the U.S. legislators, including Senator **Rick Santorum**, an advocate of the visa waiver for Poland and Slovakia, was to stress Bratislava's desire to simplify the processing of visas for Slovak citizens.

Baltic States Update

Lithuania

Lithuania's State Property Fund reported on 2 May that the government has received 77.2 million litas (\$28.9 million) from the privatization of state and municipal assets for the first four months of 2005. This figure represents a sharp decrease from last year, when the state received 259.8 million litas (\$97.4 million) over the same period of time.

Estonia

Estonia is to contribute up to 45 troops to the Nordic Battle group, part of the EU's rapid reaction forces. The battle group, which will include soldiers from Finland, Norway, and Sweden, is set to be operational by 1 January

2008. The force will be comprised of about 1,000-1,500 troops and will be ready for deployment within a 6,000 kilometer radius from the EU within 10 days. Estonian officials also announced that the country would increase its troop contributions to the NATO-led mission Afghanistan. The total number will be raised from 18 to 100. The announcement comes after a decision by NATO officials in February to double the area of Afghanistan under NATO command.

Latvia

On 29 April Latvia, along with Cyprus and Malta, entered into the European Exchange Rate

Mechanism (ERM II), which represents a step towards entering the Eurozone. Latvia must lower its current inflation rate of 6 percent to the ERM II required 2.1 percent and consistently meet all other criteria in order to be eligible to adopt the euro by early 2007.

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The city of Riga is taking stringent security measures for the upcoming visit by U.S. President **George W. Bush**. The city center will be closed and the parliament has approved legislation allowing suspect airplanes to be shot down. Bush will meet with the leaders of the three Baltic states after arriving in Riga on 6 May before traveling to Moscow on 9 May.

Southeast European Update

Croatia

Vesna Pusic, chairwoman of the Croatian People's Party, has revealed that former Prime Minister **Ivica Racan** did not arrest **General Ante Gotovina** in 2001 due to fears of a coup. Pusic said that the government received "serious threats," and was also concerned because of strong negative public opinion about cooperation with the Hague Tribunal. Had it not been for the coup threat, she added, Gotovina would have been arrested immediately upon his indictment.

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On 2 May Croatian government officials and representatives of the World Bank signed an agreement providing 35 million euros for Croatia's regional development. The loan from the International Bank for Reconstruction and Development, together with 25 million euros from the national budget, will cover social and economic programs in 13 underdeveloped counties, especially previously war-struck areas. The loan has been approved for 15 years, with a five-year grace period.

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President **Stipe Mesic** met with visiting U.S. Senator **George Voinovich** on 5 May and voiced his country's opposition to Washington's request that U.S. troops be exempt from prosecution before the International Criminal Court (ICC). Croatia first refused to sign an agreement on the issue in 2003, a move that damaged relations between the two states and cost Croatia U.S. military assistance. Mesic asserted that if his country is pressured to extradite its own citizens to the ICTY, other states should comply with international law regarding war crimes as well. Washington opposed the establishment of the ICC due to fears that U.S. troops could become subject to politically-motivated indictments.

Bulgaria

Bulgarian President **Georgi Parvanov** met with his Turkish counterpart **Ahmet Necdet Sezer** on 3 May in Ankara. Sezer praised Bulgaria's contribution to peace and stability in the Balkans and congratulated the country for signing the EU accession treaty on 25 April. The two leaders expressed satisfaction with the state of bilateral relations and expressed hope that the current annual trade volume of \$ 1.8 billion would be increased to \$2 billion soon. Several new border crossings between Bulgaria and Turkey will be open in order to facilitate travel and trade.

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On 5 May Bulgaria's outgoing parliament, whose mandate expires in two weeks, voted to withdraw all Bulgarian troops from Iraq by the end of 2005. The decision was adopted by 110 votes for and 53 against after intense debate. As many as 45 parliamentarians abstained. As a result, the number of soldiers will be reduced from 462 to 400 as early as June. After the announcement, Defence Minister **Nikolai Svinarov** asserted that the withdrawal does not mean that Bulgaria will not remain part of the coalition and he said that the government is currently deliberating other ways to contribute to the mission. The parliamentary vote came about a month ahead of general elections and was precipitated by the death of two Bulgarian soldiers on 3 May in a road accident en route to their military base at Diwanniya, south of Baghdad. A total of ten Bulgarian troops and six civilians have lost their lives in Iraq. The army's chief-of-staff, **Gen. Nikola Kolev**, said that the two soldiers allegedly died in a car crash due to a sandstorm and bad road conditions. Further investigation into the incident is pending.

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This week the U.S. Trade Representative's Office (USTR) urged

Bulgaria to amend its intellectual property legislation to curb widespread piracy and counterfeiting in the country. Bulgaria has been dropped from the USTR watch list after adopting various measures to stop copyright violations, but the USTR 2004 annual report urges Sofia to amend its criminal and criminal procedure codes in order to eliminate loop holes.

Romania

On 1 May, a Romanian military delegation traveled to Kabul to meet with the commander of the NATO International Security Assistance Force (ISAF), **Lt. Gen. Ethem Erdagi**. Erdagi thanked the Romanians for their contribution to ISAF and spoke with the head of the delegation, **General Sorin Ioan**, about ongoing operations. The Romanian delegation also met with the officials from the American Force Command and visited some of the Romanian troops deployed in the country.

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On 4 May Romania's Foreign Minister **Mihai Razvan Ungureanu** said that there are strong reasons to believe that the three Romanian journalists kidnapped in Iraq are still alive. Militants had issued an ultimatum to Romania on 27 April to withdraw its 800 troops from Iraq or the hostages would die. Romanian authorities have asked the kidnappers

for more time. Ungureanu said Romania is using all possible channels to find out more information about the three Romanians' condition and whereabouts. He also stressed that his country will not succumb to the militants' pressures and Bucharest's policy on Iraq would not change.

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On 5 May Foreign Minister **Mihai Razvan Ungureanu** met with officials from the U.S. State Department, Pentagon and National Security Council to discuss the potential transfer to Romania and Bulgaria of U.S. troops currently stationed in Germany. Secretary of State **Condoleezza Rice** said after meeting with the Romanian minister that discussions on the issue would continue as part of the complex process of reshuffling U.S. forces around the globe.

Slovenia

On 3 May Foreign Minister **Dimitrij Rupel** met with U.S. Senator **George Voinovich** as part of the latter's two-day visit to Slovenia. Rupel and Voinovich discussed the situation in Southeastern Europe, paying special attention to the future of Kosova. Rupel also took the opportunity to brief Voinovich on his activities as OSCE chairman, and to thank the Senator for his support of Slovenia's membership in NATO.



Featured Photo: Peles Palace, Romania

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