



Weekly Briefing


**Slovenia external relations briefing:
After twelve years from the arbitration agreement,
it is time for a new step forward**

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Summary

Relations with Croatia under the government of Janez Janša receded into the background of Slovenia's foreign policy. In light of the court defeats over the arbitration award and the protection of Teran wine, the Janša government is said to be working to make foreign policy more ambitious. Meanwhile, Croatia and Italy returned to the agenda at the end of 2020 with unilateral plans in the Adriatic. Is now the time for the unresolved land and sea border issues to finally be resolved? The Slovenian public has confirmed by more than 60% that it expects the unresolved issues between the two countries to be resolved by the end of this government's term.

The Arbitration roller-coaster

It has been 12 years since the agreement between Borut Pahor and the former Croatian Prime Minister Jadranka Kosor, which led to the unblocking of Croatia's negotiations with the EU and the signing of an arbitration agreement. This weekend, at the anniversary meeting in Trakošćani where the agreement was reached, both stressed its importance and stated that they would not act differently today than they did then. What could be the next step in regulating relations between the neighbours, which also seems to be important to most citizens?

At the end of July, 12 years have passed since the Trakošćan Agreement, which led to the unblocking of Croatia's negotiations with the EU and the signing of an arbitration agreement four months later.

This was followed by a complication with the wiretapping affair, in which the Slovenian agent Simona Drenik and the Slovenian arbitrator Jernej Sekolec were caught, which was then the formal reason that Croatia no longer recognised the decision of the arbitration court. The latter announced the final arbitration award in the summer of 2017, and with it the determination of the maritime and land border. With the failed Slovenian appeal to the EU Court of Justice,

which declared itself not competent to rule on the border dispute in case Croatia refused to implement the arbitration award, the time for quiet diplomacy has come. In other words, as President Pahor says today, it is time for the two governments to agree on demarcation in accordance with the arbitration court's decision. The Ministry of Foreign Affairs is reticent to comment on the diplomatic negotiations but assures that there is regular dialogue between the two countries. The current government is also aware that Slovenia can be most effective in terms of arbitration where Croatia's interest is greatest - in joining Schengen and the Eurogroup.

Slovenia was surprised, however, when Croatia announced that it would join Italy in declaring an exclusive economic zone in the Adriatic at the end of 2020.

Croatia and Italy would thus share the Adriatic Sea, while Slovenia would have no special rights, as the arbitral award does not give it the right to declare an exclusive economic zone.

As this event was a cause for concern, Slovenian Foreign Minister Anže Logar was initially assured in Rome that Slovenia would be included in the talks on this issue. Later, Prime Minister Janez Janša received similar assurances from the Italian and Croatian Prime Ministers.

Commenting on the EU Court of Justice's decision early last year that it had no jurisdiction to rule on the border dispute between Slovenia and Croatia, the expert on the Slovenian-Croatian border issue Thomas Bickl said that the pressure for a negotiated solution would increase. It should be recalled that the Court also pointed out that the two countries are obliged under the EU Treaty to seek a final legal solution to this dispute. Meanwhile, in Zagreb, the victory of Croatian arguments was announced. Croatian Prime Minister Andrej Plenković once again called on Slovenia to negotiate bilaterally on a solution acceptable to both sides.

Today, partly due to the current Slovenian Presidency of the Council of the EU, there is speculation as to whether the current government will be able to conclude outstanding issues with Croatia by the end of its term of office, or whether general politics will be able to reach agreement and conclude intergovernmental agreements – the border agreement under the arbitration award, the withdrawal of the Croatian lawsuits against the old Ljubljanska banka, and Slovenia's support, as holder of the EU Presidency, for Croatia's accession to the Schengen area as soon as possible.

Expecting results of quiet diplomacy

Božo Dimnik, Honorary Consul of Croatia and President of Slovene-Croatian Friendship Association, expects that these expectations will be met and that intensive talks will take place in the background and that quiet diplomacy will lead to the resolution of open issues between the two countries. It is also in the interest of the European community that relations between Slovenia and Croatia are settled, because this is also important for the entire Balkans. There is no doubt that this is in the interests of the citizens of both countries, as well as of course, also in the great interests of the economy, also in order to enable Croatia to join the Schengen area.

A recent opinion poll confirms that Slovenia's citizens also want relations to be settled. More than 60 percent of respondents believe that it is important or very important to settle relations between the two countries by the end of this government's term in office (which is led by Prime Ministers from the same group in the European Parliament, EPP); only just over one-sixth of respondents say they do not consider this important or not important at all.

As President Borut Pahor stressed on the anniversary of his agreement with then Prime Minister Kosor, 12 years later he believes that the framework agreement on lifting the Slovenian blockade of Croatia's EU accession talks and on resolving the border issue was crucial - not only for Croatia's accession to the EU and the settlement of the border dispute, but also for political, economic and purely interpersonal cooperation between the two countries. After years of incidents, misunderstandings and security concerns there had been a much-needed easing of tensions. President Pahor also stressed that despite the still divergent positions of Slovenia and Croatia, the border problem has been solved and the borders have been fixed. What has not yet been solved is the demarcation, which is not possible without an agreement between the two governments, but that is a much smaller problem than the border issue.

Among other things, the President of the Republic supports Croatia's accession to the Schengen area without making the adoption of the arbitration agreement or the demarcation of the border conditional on Croatia, as this should be in the interest of Slovenia, Croatia and Europe.

They also support Croatia's accession to the Schengen area in the Slovenian Ministry of Interior. Also on the agenda of the informal July meeting of the EU Council of Interior Ministers, chaired by Slovenian Interior Minister Hojs, the strengthening of the Schengen area

was highlighted as one of the priority issues of Slovenian Presidency in the field of home affairs. At that time, they also openly supported Croatia's efforts.

Conclusions

Three decades after the establishment of independent states and 12 years after the historic arbitration agreement, after numerous incidents at the border (Piran Bay) and hours of waiting at the Schengen border with Croatia, perhaps the time has come when Slovenian and Croatian politicians will try to take a step towards resolving open issues between the countries.

More than half of the citizens rate the importance of successful negotiations with the Croats highly and have high hopes for the current government's possible silent trump card. If Prime Minister Janša, who is already announcing another victory for his party, actually succeeds in doing so in the year of Slovenia's EU Presidency, he would certainly score more points in the elections. With the current balance of political forces in the National Assembly, it will probably be difficult for the Prime Minister to push through any major idea or motion during the current term. Meanwhile, the 2022 super-election year is just around the corner.