



## **Weekly Briefing**

### **Bosnia-Herzegovina external relations briefing:**

### **Date of negotiations with the EU and US interest in BiH gas**

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## **Date of negotiations with the EU and US interest in BiH gas**

### **Summary<sup>1</sup>**

*The key event in 2024 in BiH and its foreign policy will take place in March, and will determine the direction and intensity of the entire year, and beyond. Primarily, it is the relationship with the European Union, with which BiH borders and to which BiH intends to join one day, upon fulfillment of the given conditions. In the year that has already started, the key month will be March, when it will be known whether Bosnia and Herzegovina will officially start these negotiations, and not only the further trend, but also the political content itself will depend on that.*

*What is interesting is how the dynamics of BiH's relations with the EU will fit in with Washington's slightly different attitude when it comes to security challenges coming from BiH. Namely, although the United States and the EU act in a coordinated manner when it comes to the position vis-à-vis Russia, and although they agree that Russian influence should be expelled from the Balkans - including Bosnia and Herzegovina - it seems that there are significant certain discrepancies in terms of strategy, tactics, moves, or everything. of the above. In essence, the US continues to operate through the Office of the High Representative and its mechanisms of imposing laws and sanctioning politicians, while the EU focuses on the Delegation of the European Union and mechanisms related to the pre-accession process, including aid funds.*

### **Introduction**

Judging by how it started, Bosnia and Herzegovina is in for a turbulent year in relations with all the most important global and regional entities.

The key process that will determine the trends of the foreign policy dynamics of Bosnia and Herzegovina during 2024 began to take place at the end of January, when a high delegation of the EU, led by the President of the European Commission, Ms Ursula von der

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<sup>1</sup> Optimistic end of the year in BiH, before our country in 2024. two big tests.  
<https://www.fokus.ba/vijesti/bih/optimistic-kraj-godine-u-bih-pred-nasom-zemljom-u-2024-dva-velika-testa/2815410/>

Leyen, and the Dutch and Croatian Prime Ministers, Mark Rutte and Andrej Plenković. They came on the eve of March, when the deadline is for BiH authorities to make what is called a "significant step forward in reforms". If that "step forward" happens, then the EC could state that the EU can officially start negotiations with BiH about its membership in this community of states<sup>2</sup>.

Everything that happened with that visit reflects not only the relations between BiH and the EU and the position of BiH in the EU, but also regional relations.

### **EU integration**

The delegation of three high-ranking officials was by no means accidental. Von der Leyen came by function, as the head of the EC, accompanied by two European prime ministers who have different positions and attitudes regarding BiH. Croatian Prime Minister Plenković is the Prime Minister of a neighboring country, but also the president of the conservative, Croatian Democratic Union (*Hrvatska demokratska zajednica* - HDZ). A party with the same name and ideology exists in BiH and is part of the ruling majority - HDZ BiH. The Croatian Prime Minister is very active in region and in particular he meets with BiH officials who are Croats and members of the HDZ BiH. Without a doubt, it can be said that in this sense the policy of the official Zagreb and part of BiH Croats is coordinated, and this will continue in the coming period. On the other hand, the Netherlands is the country that is reputed to be the toughest when it comes to opening negotiations with BiH. They firmly insist that BiH must fulfill all 14 conditions that the EC has set before it before the negotiations begin<sup>3</sup>.

We have written a lot about these conditions in previous reports. The deadline that has been set is the third month of this year, when it is expected that she should once again consider and give a positive opinion on the progress of BiH, at least in some key areas, which would be the basis for the start of negotiations.

The broadest picture, the one that geopolitically observes the whole of Europe and is

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2 Von der Leyen: We are witnessing progress in BiH, but additional results are needed <https://www.klix.ba/vijesti/bih/von-der-leyen-shvidoci-smo-napretka-u-bih-ali-potrebn-su-dodatni-rezultati/240123090>

3 The Prime Minister of the Netherlands is not enthusiastic: We have to be honest, there is still a lot of work to do. No support until we see results, time is running out. <https://raport.ba/premijer-nizozemske-nije-odusevljen-moramo-bit-i-iskreni-jos-puno-je-posla-nema-podrske-dok-ne-vidimo-rezultate-vrijeme-curi/>

often pointed to by some analysts and politicians in BiH and Europe, says that the EU has opened membership negotiations with Ukraine and Moldova, countries that are in some aspects more problematic than BiH. Neither Ukraine nor Moldova control their internationally recognized borders, and Ukraine is also the scene of war conflicts. This argues that the decision to start negotiations is primarily political.

When it comes to the political picture of Europe, elections are expected this year for the European Parliament, but also in many EU countries, such as Portugal, Austria, Finland and Croatia. The European elections will be held in June, and therefore mark as the deadline for positive news regarding BiH. This was also said by Croatian Prime Minister Plenković during his stay in Sarajevo<sup>4</sup>. What he did not say, and what he feels, is that during the year the right wing will grow in Europe and Euroscepticism in Bosnia and Herzegovina.

When it comes to the EU elections, it is expected that in many countries there will be a growth of the right, even the extreme right – as, after all, is the case with the country of one of Sarajevo's guests, Rutte's Netherlands, where a relative victory was won by right-winger Wilders. The growth of the radical right will inevitably lead to a halt in EU integration. This will lead to an increase in Euroscepticism among citizens who already feel the existence of double standards because of the Ukrainian and Moldovan "yes".

### **Different positions in BiH**

Here we must return for a moment to the field of internal politics, in order to show the influence of external forces. Although all political parties in BiH are nominally in favor of joining the EU, the fact is that there is a difference in commitment to that goal, as well as what can be sacrificed on that path. This can be seen from the positions within the parties that make up the ruling majority in BiH. Parties from the Republic of Srpska entity do not even want to hear about any transfer of jurisdiction from the entity to the state. The Alliance of Independent Social Democrats (Savez nezavisnih socijaldemokrata – SNSD) and party leader Milorad Dodik built his entire career on that. Also, at this moment they are primarily interested in the departure of international judges from the Constitutional Court of BiH, because they see the decisions of that institution as a danger to the jurisdiction of the RS. That is why, within the party negotiations, SNSD insists that this issue be resolved together to the

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4 Von der Leyen, Rutte and Plenković to the leaders of BiH: Use the opportunity on the European road. <https://balkans.aljazeera.net/news/balkan/2024/1/23/von-der-leyen-rutte-i-plenkovic-na-sastancima-sa-zvanicnicima-bih>

ones required by the EU<sup>5</sup>.

The parties from Mostar that have a Croatian national character, led by the HDZ BiH and its leader Dragan Čović, are interested in changes to the Election Law of BiH that will strengthen the position of ethnic groups in BiH. HDZ BiH is especially interested in changes that would secure a candidate supported by this party to win in the elections for a member of the BiH Presidency from the Croatian people<sup>6</sup>.

On the third side, the parties based in Sarajevo, the "Troika" group, are most interested in a more centralized and functional BiH and are ready to compromise with Banja Luka and Mostar. To some extent, this compromise happened before the visit of the European trio, at a meeting where the representatives of all the mentioned parties agreed on the direction and framework of solutions that would include issues of the BiH Constitutional Court, the Election law, and the laws necessary to start negotiations with the EU<sup>7</sup>.

On the way to a concrete compromise, they ran into two problems. For this analysis, the less important problem is that other opposition parties from Sarajevo were strongly against the specific agreement, pointing to his poor solutions to the issues of the Constitutional Court of BiH (concession to Milorad Dodik) and the election of members of the Presidency of BiH (concession to Dragan Čović). In the context of this analysis, it is much more important that the American Embassy in BiH publicly and unequivocally stated that the solutions that were agreed upon are neither satisfactory nor necessary at this moment - especially focusing on the election of a member of the Presidency of BiH<sup>8</sup>.

### **American reviews**

American criticism was followed by the reiteration of the Sarajevo parties, who undeniably owe their share in power to the role of the US embassy, which also plays a significant role through the Office of the High Representative (OHR) and the German

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5 Milorad Dodik announced new blockades: 'There are no European laws with foreigners in the Constitutional Court'. <https://radiosarajevo.ba/vijesti/bosna-i-hercegovina/milorad-dodik-najavio-nove-blokade-nema-europskih-zakona-sa-strancima-u-ustavnom-sudu/532103>

6 The meeting in Mostar the last attempt to reach an agreement by the ruling coalition? <https://www.tportal.hr/vijesti/clanak/sastanak-u-mostaru-posljednji-pokusaj-dogovora-vladajuce-koalicije-20240226>

7 Konaković: I do not respond to Dodik's provocations, I invite him to work together. <https://www.tportal.hr/vijesti/clanak/konakovic-na-dodikove-provokacije-ne-dogovaram-pozivam-ga-da-zajedno-radimo-20240111>

8 The US Embassy on the agreement between SNSD, HDZ BiH and "Troika". <https://lat.rtrs.tv/vijesti/vijest.php?id=541971>

diplomat who holds that office, Christian Schmidt. By the way, in December Schmidt announced that he is ready to impose technical changes to the Electoral Law if the domestic actors do not agree, and that he is ready to do so immediately after the new year<sup>9</sup>.

The EU is against this imposition, based on at least two arguments: the first is the fear that the new imposition will produce Dodik's reactions, a general stalemate and a deeper crisis, and the second is the question of how to grant BiH with negotiator status when the OHR acts as a classic protector over BiH. Therefore, the high delegation from Brussels asked Schmidt to stop the imposition of changes to the electoral law and to give local leaders a chance to come to an agreement on their own<sup>10</sup>.

It is certain that there is a difference in the approach of international actors representing the West towards the approach of BiH. On the one hand, there is the USA, its European ally Great Britain, and the OHR. They do not shy away from interventions in the internal political issues of BiH, such as the imposition of certain laws<sup>11</sup>. On the other hand, there is the EU administration, primarily the EC, with a special emphasis on several European countries that have interests in the region, such as Croatia, Hungary and Slovenia. They declaratively oppose interventionism, they want to see progress in reforms, but they do not even provide answers to all questions related to BiH's membership in the EU. Nevertheless, it is certain that the "policy of the West" towards BiH has dissonant tones. An obvious example can be seen in the fact that von der Leyen and the prime ministers in the BiH Parliament met with high-ranking officials who were blacklisted by the State Department<sup>12</sup>

Also, a special problem is that this "Brussels team" is not compact but made up of different particular interests, which is the subject of another analysis. Be that as it may, after the visit of a high European delegation, different reactions of political entities in BiH were heard. Some were more positive, some in a more negative tone, even with some voices of

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9 Schmidt: If you don't change the Electoral Law, I will!  
<https://www.dw.com/hr/schmidtov-ultimatum-ako-vi-ne-promijenite-izborni-zakon-ja-%C4%87u/a-67772550>

10 Christian Schmidt met with a high-ranking EU delegation: 'BiH authorities have an opportunity for key reforms'  
<https://radiosarajevo.ba/vijesti/bosna-i-hercegovina/christian-schmidt-se-sastao-sa-visokom-delegacijom-eu-vlasti-bih-ima-ju-priliku-za-kljucne-reforme/530168>

11 O'Brien said: Strong US support for Schmidt and the use of Bonn powers  
<https://www.vecernji.ba/vijesti/o-brien-i-schmidt-o-najvaznijim-izazovima-s-kojima-se-bih-suocava-1743327>

12 Scandal! People from the American blacklist in the company of Plenković and Von der Leyen  
<https://senzor.ba/skandal-ljudi-s-americke-crne-liste-u-drustvu-plenkovica-i-von-der-lajen/>

anti-European skepticism<sup>13</sup>.

And yet, in February, the Law on Prevention of Money Laundering and Financing of Terrorist Activities was adopted, one laws on which the EU particularly insisted. This conclusion was reached at the suggestion of the Deputy Speaker of the House of Peoples, Nikola Špirić from SNSD<sup>14</sup>.

After that, another round of talks between the partners who make up the government at the state level was held in Mostar. On it, the partners once again confirmed what has been written and spoken many times. However, final solutions for several remaining European laws have not been agreed upon<sup>15</sup>. Until the end of March, a chess game will probably be played, in which every step of all actors will be monitored and studied precisely. After that, regardless of the results of what was done, there will be a lull. The Europeans are entering the period of preparations for the elections, a little later it will happen with the USA, which means that there will be no political will for anyone to deal with BiH issues.

### **USA and "blacklists"**

By end of March, we will see whether important geostrategic and geoeconomic issue will bring the president of HDZ BiH, Dragan Čović, to the State Department's blacklist. It is estimated that so far more than a thousand persons and organizations from BiH have ended up on the black list, including the highest officials. A significant part of them is particularly linked to three parties: SDA, HDZ and SNSD. It is certain that the USA will continue to use this tool, and the first big name mentioned is the HDZ leader.

The reason why Čović could be targeted by the US is specific and related to the reduction of Russian influence in BiH. Namely, BiH currently has only one source of gas supply, and that is Russian gas that comes via Serbia. This gas is used to heat the capital of BiH, Sarajevo, and the company responsible for the distribution and supply of gas in the Federation of BiH entity is BH Gas. For several years, the introduction of an alternative has

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13 "Partners from FBiH will waste this chance as well": Dodik believes that Bosniak parties do not care about BiH in the EU. <https://mondo.ba/Info/Politika/a1279183/Dodik-o-putu-BiH-ka-EU.html>

14 A step forward: The law on prevention of money laundering and financing of terrorism was adopted. <https://bljesak.info/vijesti/politika/korak-naprijed-usvojen-zakon-o-sprecavanju-prajana-novaca-i-financiranja-terorizma/446435>

15 No agreement in Mostar: The leaders did not agree on the laws. <https://mondo.ba/Info/Politika/a1281317/Lideri-bez-dogovora-u-Mostaru.html>

been considered: the construction of the Southern Interconnection. This interconnection, according plan, would be connected to the Croatian gas network, through which theas from Azerbaijan. It is obvious that the construction of the Southern Interconnection would reduce dependence on Russian gas, and thus on Russia. However, HDZ insists that a new company be formed.

In short, the Draft Law on Southern Interconnection was adopted by the House of Representatives of the Parliament of the Federation of BiH in December 2021, but the HDZ of BiH blocked the consideration of this document in the House of Peoples of the Federation of BiH for more than a year, demanding that "BH Gas" not be the holder of this project's investment. gas pipeline. In its amendment, the Club of Croats proposed that the project be managed by the company "Južna plinska interkonekcija" d.o.o. Mostar (Southern Interconnection Ltd. Mostar), which should be founded precisely for this purpose<sup>16</sup>.

However, the American Embassy in BiH, as well as the State Department, became actively involved. First, US Secretary of State Antony Blinken wrote a letter to the heads of diplomacy of BiH and Croatia, Elmedin Konaković and Goran Grlić Radman. In the letter, he asked the two of them to put pressure on the leader of the HDZ BiH Čović, in order to "stop obstructing" the gas connection between Croatia and BiH. Blinken emphasizes that the construction of the Southern Gas Interconnection between Croatia and Bosnia and Herzegovina is crucial for "your energy security". The US Secretary of State named Čović as the direct culprit for the delay in the start of construction of the gas pipeline. He asserted that the delay in the continuation of the construction of the gas pipeline threatens its realization.

According to him, the demands of the HDZ BiH leader to establish a special company based in Mostar that would implement the construction of the gas pipeline with Croatia represent duplication, are economically unsustainable and endanger the entire project. "Such evident corruption and self-indulgence could threaten BiH's path to the EU," added Blinken<sup>17</sup>.

Bliken's words in a targeted interview for a regional media were emphasized by the US ambassador to BiH, Michael Murphy. The entire interview is dedicated only to this issue,

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16 The Government of FBiH submitted documents to the Parliament of FBiH: Nikšić in the parliamentary procedure returned all withdrawn laws except the law on southern interconnection and a set of anti-corruption laws. <https://istraga.ba/vlada-fbih-dostavila-dokumente-u-parlament-fbih-niksic-u-parlamentarnu-proceduru-vratio-sve-povucene-zakone-osim-zakona-o-juznoj-interkonekciji-i-seta-antikorupcijskih-zakona/>

17 WASHINGTON IS ANGRY AT THE HEAD OF HDZ BiH: Blinken wrote to Grlić Radman and Konaković, asking them to influence Čović. <https://euractiv.hr/energetika/a6138/Blinken-pisao-Grlica-Radmanu-i-Konakovica-trazi-da-utjecu-na-Covica.html>



which says a lot in itself. Ambassador Murphy sent similar messages as Blinken: "BiH relies 100 percent on Russian gas. Which is dangerous. BiH is part of the Euro-Atlantic Community of Nations. He is our partner in the effort to build security and stability, not only in the Western Balkans, but also in the whole of Europe. You can see it in the relationship, for example, that NATO has with the armed forces of BiH, as well as the European Union. We want you to be fully integrated into that community and we want you to be safe in that community. These are our geopolitical interests, if you will"<sup>18</sup>.

However, the president of the HDZ remained publicly quite immune to the name-calling of American officials. In the public statements that followed, Čović remained persistent: Let's make a very clear distinction. We propose to have a law that will define the role of the Southern Gas Interconnection and we propose that it be a public company owned by the Government of FBiH, like BiH. gas, based in Mostar, because it is the strategic interest of a (Croatian) nation"<sup>19</sup>.

What is interesting is that the president of the Croatian HDZ and the Prime Minister of the Republic of Croatia, Andrej Plenković, stood behind Čović. "Plenković and Čović agreed that it is necessary to continue with the talks to reach an agreement regarding the modalities of project implementation in BiH in the interest of all interested parties. In this regard, Croatia supports the position of Dragan Čović on the need to respect the interests of the Croatian people in BiH" , said in the statement after the meeting<sup>20</sup>.

However, the story about the gas pipeline is clearly not the end, nor has Čović convinced the American side of his intentions. The American *New York Times* wrote about the construction of the Southern Interconnection in BiH, stating that this project, which aims to reduce the country's dependence on Russian gas, was stopped due to ethnic disagreements. The text states that HDZ BiH president Dragan Čović wants the project to be under the control of a company "led by ethnic Croats", and that he wants to establish that company in

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18 Murphy: Čović has an opportunity, we have the tools, J. interconnection should be a government priority. <https://ba.bloombergdria.com/ostalo/politika/50724/murphy-covic-ima-priliku-alate-imamo-juzna-interkonekcija-treba-bit-prioritet-vlade/news>

19 Čović on the Southern Interconnection: We propose a public company based in Mostar, it is a strategic interest of a nation. <https://www.dnevnik.ba/vijesti/covic-o-juznoj-interkonekciji-predlazemo-javno-poduzece-sa-sjedistem-u-mostaru-to-je-strateski-interes-jednog-naroda-2660486>

20 Plenković's "slap" to the Americans: He supported Čović's demands regarding the Southern Interconnection. <https://www.klix.ba/vijesti/bih/plenkovicev-samar-amerikancima-podrzao-zahyjeve-covica-in-regarding-southern-interconnection/240223096>

Mostar, an ethnically mixed city that "has long been a bastion of Croatian chauvinism"<sup>21</sup>.

On the other hand, the Government of the Republic of Croatia ordered and paid for a study on the Southern Interconnection, in which it is argued that a special gas company is also in the interest of reducing Turkish influence in the Balkans, and that existing company BH GAS is corrupted and unefficient for any job<sup>22</sup>. Journalists from Sarajevo contacted experts who criticized the study as incompetent and untrue<sup>23</sup>.

## Conclusion

How will the difference in the approaches of the US and the EU towards BiH manifest itself in the future? Will there be a convergence of attitudes, or at least coordination of moves? First of all, it depends on what will come out of the eventual agreement. Both the EU and the US are currently waiting for the BiH Parliament to adopt another law on conflicts of interest and the law on courts, to see progress on some other issues that do not include changes to the Constitution of BiH and the issue of the Constitutional Court of BiH.

As for American pressure and anger over the stalling of the construction of the Southern Interconnection, many expect that HDZ president Dragan Čović will end up on the "black list". This kind of open opposition to the clearly expressed interests of the USA has not been seen for a long time from high officials who are not Serbs. However, some assume that verbally expressed hard positions will not be followed by the same moves, that is, that HDZ cadres in the Government of the Federation of BiH and the House of Peoples of the Parliament of Federation of BiH entity will agree to the Southern Interconnection, which will be managed by the existing company.

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21 New York Times on Southern Interconnection: Čović wants his company in Mostar, the "bastion of Croatian chauvinism". <https://www.faktor.ba/vijest/new-york-times-o-juznoj-interkonekciji-covic-zeli-svoju-kompaniju-u-mostaru-bastionu-hrvatskog-sovinizma/225626>

22 Games around the Southern Interconnection: Tuđman's intelligence officer in the operation against the USA, BH Gas and Sarajevo. <https://radiosarajevo.ba/vijesti/bosna-i-hercegovina/igre-oko-juzne-interkonekcije-tudmanov-obavjestajac-u-operaciji-protiv-sad-a-bh-gasa-i-sarajeva/535014>

23 SCANDAL WEIGHTING 65 THOUSAND EUROS: Grlić Radman paid for the Study which stated that BH Gas should not manage the Southern Interconnection because it is a threat that BiH remains under the influence of Turkey! <https://www.slobodna-bosna.ba/vijest/342953/skandal-tezak-65-hiljada-eura-grlic-radman-platio-studiju-u-kojoj-je-navedeno-da-bh-gas-ne-smije-upravljati-juznom-interkonekcijom-jer-je-to-prijetnja-da-bih-ostane-pod-utjecajem-turske.html>