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Future of the Balkans and U.S. Policy Concerns

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Steven Woehrel
Specialist in European Affairs
Foreign Affairs, Defense, and Trade Division

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Committees of Congress

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Summary

The United States, its allies, and local leaders have achieved substantial successes in the Balkans since the mid-1990s. The wars in the region have ended, and all of the countries are undertaking political and economic reforms at home and orienting their foreign policies toward Euro-Atlantic institutions. However, difficult challenges remain, including resolving the status of Serbia's Kosovo province; breaking up the power of political-criminal groups; enforcing the rule of law; bringing war criminals to justice; and reforming the economies of the region.

The current goal of the international community in the Balkans is to stabilize the region in a way that is self-sustaining and does not require direct intervention by NATO-led forces and international civilian officials. Relatedly, the United States has sought to reduce the costs of its commitments to the region, in part due to competing U.S. and international priorities, such as the war on terrorism, and efforts to stabilize Iraq and Afghanistan, which have placed strains on U.S. resources. SFOR and KFOR, the NATO-led peacekeeping forces in Bosnia and Kosovo, have been reduced over the past decade. In December 2004, SFOR's mission was concluded, and European Union troops took over peacekeeping duties in Bosnia. No U.S. combat troops remain in Bosnia. About 16,000 troops remain in Kosovo as part of KFOR, including 1,600 U.S. soldiers.

Since the September 11, 2001 attacks on the United States, the war on terrorism has been the United States' main foreign policy priority, including in the Balkans. Before September 11, Al Qaeda supporters operated from Bosnia and Albania. However, the Administration has said that these countries and others in the region have "actively supported" the war on terrorism, shutting down terrorist front organizations and seizing their assets. Although their efforts are hampered by the weakness of local government institutions, U.S. anti-terrorism efforts in the Balkans are aided by U.S. military and intelligence assets in the region, as well as a reservoir of good will among local Muslims of all ethnic groups.

Congress has played an important role in shaping U.S. Balkans policy. Some Members supported Clinton Administration efforts to intervene to stop the fighting in the region, while others were opposed. Members were leery of an open-ended commitment to the region and sought to contain these costs through adoption of benchmarks and limiting U.S. aid and troop levels to the region to about 15% of the amounts provided by all countries. The end of the wars in the Balkans and the shift in U.S. priorities in the wake of the September 11 attacks has moved the Balkans to the periphery of congressional concerns, at least when compared to the situation in the 1990s. However, in recent years, Congress has continued to have an impact on such issues as Kosovo's future status and conditioning some U.S. aid to Serbia on cooperation with the International Criminal Tribunal for the Former Yugoslavia. The second session of the 110th Congress may consider legislation on these topics.

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Introduction: The Role of the Balkans in U.S. Foreign Policy

The United States and the international community have achieved substantial successes in the Balkans since the 1990s. The wars in the former Yugoslavia ended, and all of the countries are undertaking political and economic reforms and orienting their foreign policies toward Euro-Atlantic institutions. Administration officials have stated that ensuring the stability of the Balkans is an important part of a U.S. vital interest in securing a Europe whole, free, and at peace.

For over a decade, the United States has provided significant aid and troop deployments to the Balkans in support of this goal. Both aid amounts and the U.S. troop commitments have declined in recent years, as the region has stabilized and more pressing U.S. foreign policy priorities have emerged. At the same time, the European Union has increased its role, with the ultimate goal of extending EU membership to the countries of the region. However, analysts believe the United States still may have an important role to play in the Balkans. Observers note that the United States has political credibility in the region, particularly among Bosniaks and Albanians, which the Europeans may lack. In addition, the region may have a higher strategic profile given the establishment of U.S. military bases in Romania and Bulgaria, which could be useful for U.S. operations in the Middle East. Continued U.S. attention may also be needed to uproot possible terrorist networks in the region.

Current Challenges in the Region

Kosovo's Status

One important challenge for the region is the political status of Serbia's Kosovo province — that is, whether it should remain a province of Serbia with a large measure of autonomy or become an independent country. The province is currently administered by the U.N. Mission in Kosovo (UNMIK), which oversees an interim, elected Kosovo government. According to U.N. Security Council Resolution 1244, Kosovo's status should be determined by an unspecified "political process." UNSC Resolution 1244 explicitly confirms the territorial integrity of the Federal Republic of Yugoslavia (which has since dissolved, resulting in the independent countries of Serbia and Montenegro) and calls for "substantial autonomy" for Kosovo "within the Federal Republic of Yugoslavia." The overwhelming majority of ethnic Albanians in Kosovo (who make up over 90% of the province's population) favor independence for the province. The Serbian minority in Kosovo (under 10% of the population) and

the Serbian government want the province to remain part of Serbia. Serbian leaders say that they are willing to offer Kosovo broad autonomy within Serbia.

In 2006, U.N. envoy Martti Ahtisaari of Finland mediated status talks between the Serbian and Kosovar governments. The positions of the two sides were far apart on most issues, and little movement toward compromise solutions occurred. U.N. Secretary General Ban Ki-Moon submitted Ahtisaari's own proposal for a settlement to the Security Council on March 26, 2007.

Ahtisaari's proposed status settlement called for Kosovo to become an independent country, supervised by the international community for an undefined period.[1] Kosovo would not be permitted to merge with another country or part of another country. The document contains provisions aimed at safeguarding the rights of ethnic Serbs and other minorities in Kosovo. Six Serbian-majority municipalities would be given expanded powers over their own affairs. Local police in these areas would reflect the ethnic composition of the locality. The judiciary and central government would have to reflect the ethnic composition of Kosovo, and all laws having a special impact on an ethnic minority could only be adopted by a majority of that ethnic group's representatives in parliament.

Almost all Serbian leaders from across the political spectrum sharply rejected the Ahtisaari proposal because it endorses independence for Kosovo. Ethnic Albanian leaders in Kosovo, while not pleased about continued international supervision and other aspects of the plan, accepted the plan because of its support for independence.

In July 2007, the United States and its allies abandoned efforts to have the U.N. Security Council adopt a resolution endorsing the Ahtisaari plan after Russia made clear that it would veto it. Additional negotiations between the Serbs and Kosovars brokered by the United States, the European Union, and Russia ended without an agreement in December 2007. U.S. and EU officials have declared the negotiating process to be "exhausted" and the status quo on status untenable. The United States and most EU countries are expected to recognize Kosovo's independence in the weeks or months after the second round of Serbia's presidential elections on February 3, 2008. They are expected to work with Kosovo's government to implement the Ahtisaari plan, without direct U.N. assistance if necessary.

The Kosovo status question could lead to instability in the region. If the United States and its allies recognize Kosovo's independence, Serbia could attempt to destabilize Kosovo, for example, by dispatching troops to Serb-controlled areas of northern Kosovo or by cutting communications links with Kosovo and imposing an economic embargo on the province. U.S. and European recognition of Kosovo would also likely result in a sharp deterioration in Serbia's relations with these countries. On the other hand, if a status resolution is postponed, Kosovar Albanian extremists could attack Kosovo Serbs or U.N. personnel in Kosovo. Some believe

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[1] Ahtisaari's report to Secretary General Ban Ki-Moon on the plan can be found at [http://www.un.org/Docs/sc/unsc_presandsg_letters07.htm].

that Serbs in Bosnia and Albanians in southern Serbia and Macedonia could see Kosovo independence as a precedent for possible secession efforts of their own.[2]

Establishing Democracy and the Rule of Law

The domestic political situation in the Balkan countries has improved in recent years. All the countries in the region have held largely free and fair elections, although problems remain in Albania and other countries. Civil society groups and independent media express a wide variety of views, but sometimes face pressure from government authorities. The countries in the region have undertaken efforts to redraw their constitutions along more democratic lines.

However, serious problems remain. The legitimacy of democratic institutions is challenged by the weakness of government structures. The countries of the region lack effective, depoliticized public administration. Progress toward the rule of law is slow. The police and judicial systems in many countries are weak and often politicized. Government corruption is a serious problem in all of the countries of the region. Many of the countries of the region have had problems in developing a stable, democratic political culture. This has resulted in excessively sharp tension between political parties that has at times hindered effective governance. Ethnic tension remains a serious problem in many countries of the region, particularly in Bosnia, Kosovo, and Macedonia.

As in other transition countries in Central and Eastern Europe, part of this problem is due to the Communist heritage of the region. Another key obstacle has been the power of political-criminal groups, often associated with war criminals and local security services. These groups played a key role in igniting the wars in the Balkans and became much stronger because of them. In addition to retarding progress in democratization and the rule of law, these groups also raise ethnic tensions by acts of violence against minorities and engage in trafficking in persons, drugs and weapons.

Although the international community has provided large amounts of aid and advice to strengthen local institutions and the rule of law, it may also itself be responsible for some of the problems. The United States and its European allies helped craft the decentralized political system of Bosnia, which was a product of post-war political compromise. In recent years, they have viewed the arrangement as an unworkable one that hinders the country's Euro-Atlantic integration, and have pushed for the strengthening of central government institutions, but have faced resistance and obstruction, mainly from the Bosnian Serbs.[3] In both Bosnia and Kosovo, international officials frequently have imposed policies from above, perhaps fostering a culture of dependency and political irresponsibility among local elites.

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[2] For more on Kosovo, see CRS Report RL31053, *Kosovo and U.S. Policy*, by Julie Kim and Steven Woehrel, and CRS Report RS21721, *Kosovo's Future Status and U.S. Policy*, by Steven Woehrel.

[3] For more information, see CRS Report RS22324, *Bosnia: Overview of Current Issues*, by Julie Kim.

Given these problems, the region's transition to democracy and the rule of law is likely to be lengthy and difficult.

Economic Reform and Improving Living Standards

The economies of the region face the burden of a Communist legacy as well as well as resistance to economic transparency by many local leaders. Some of the region's economic problems are closely related to its political problems. Weak and corrupt state structures have been an obstacle to rationalizing tax and customs systems to provide adequate revenue for social programs and other government functions. The absence of the rule of law has hampered foreign investment in some countries due to concern over the sanctity of contracts. In Bosnia, the lack of a strong central government and the division of the country into two semi-autonomous "entities" has hindered the development of a single market. Privatization in Kosovo has been slowed by uncertainty over ownership of assets, which is a reflection of uncertainty over the province's future status.

Substantial progress has been made in economic reforms in many countries. Fiscal and monetary austerity, with the assistance of international financial institutions, has permitted many countries to reduce inflation and stabilize their currencies. The countries of the region have embarked on the privatization of their industries. However, the process remains incomplete and there have been concerns within these countries and among foreign investors about corruption and a lack of transparency in some deals. Many companies in the region are in poor shape and painful decisions have to be made to shutter uncompetitive companies. Unemployment and poverty are serious problems in all of the countries of the region. However, in recent years, the countries of the region have experienced substantial economic growth and increases in real wages. They have also have attracted increasing foreign investment, although totals remain low when compared to those of central European countries that joined the EU in 2004.

Although positive signs have emerged in recent years, the economic challenges faced by the countries of the region mean that many years could be required before the poorer countries even approach average EU living standards. As in the case of political reform, which is closely linked to successful economic reform, a long-term international commitment of aid, advice, and the prospect of EU membership may be required to build and maintain a local consensus for often painful measures.

U.S. Policy Concerns

Creating Self-Sustaining Stability in the Balkans

The main goal of the United States and the international community in the Balkans is to stabilize the region in a way that does not require direct intervention by NATO-led forces and international civilian officials, and puts it on a path toward integration into Euro-Atlantic institutions. The United States and EU countries support a larger role for the EU in the region, with a smaller role by the United States, at least as far as troop levels and aid are concerned. These goals have been

given greater urgency by competing U.S. and international priorities that have emerged since September 11, 2001, such as the war on terrorism, and efforts to stabilize Iraq and Afghanistan, which have placed strains on U.S. resources.

Since taking office in 2001, the Bush Administration has maintained the position that the U.S. peacekeeping forces went into the Balkans with the Europeans and would leave together with them. Nevertheless, as the situation in the region has stabilized, the United States and its allies have slowly withdrawn troops from the region. Currently, about 1,600 U.S. troops are deployed in Kosovo. Experts estimate that three times as many troops are affected by the deployment, including those who are about to rotate into an assignment and retraining for troops who have rotated out. Moreover, constant deployments throughout the world may have a negative impact throughout the U.S. military, including in the Army Reserve and National Guard units that now play a key role in the U.S. deployment in Kosovo.[4]

In December 2004, the mission of SFOR, the NATO-led peacekeeping force in Bosnia, came to an end. Peacekeeping duties were handed over to a European Union force (EUFOR), now composed of about 2,500 troops. The EU force is tasked with helping to maintain a secure environment in Bosnia and support Bosnia's progress toward integration with the EU. No U.S. combat troops remain in Bosnia.[5] Currently, there are about 16,000 NATO-led troops in KFOR in Kosovo, including the U.S. contingent.

Filling a Possible Security Gap. An important concern facing both Balkan deployments is who, if anyone, will fulfill the tasks that they are currently performing as military forces are withdrawn. EUFOR and KFOR do not play a direct role in policing duties in Bosnia and Kosovo. However, they do provide "area security" by regular patrolling. In Bosnia, an EU Police Mission monitors, inspects, and provides advice to promote multi-ethnic, professional police forces that act according to European standards. The Office of the High Representative (OHR), the leading international civilian body in Bosnia, has attempted to increase central government control over the police, reducing the role of the semi-autonomous "entities." The United States and the EU believe such a move would make the police more efficient and effective, and increase Bosnia's unity. However, progress toward this goal has been slow, due to strong resistance from the Republika Srpska, the largely Serb entity. RS leaders see the police as a key bulwark of their power and do not want give up control over it.

March 2004 riots in Kosovo exposed serious weaknesses in policing and security in Kosovo. With notable exceptions, the local Kosovo Police Service did not perform very well, sometimes melting away in the face of the rioters and in a few cases joining them. CIVPOL, the U.N. police contingent in Kosovo, was hampered by a lack of cohesion and leadership. There were many reports of KFOR troops, outnumbered by the rioters and unwilling to fire on them, refusing to intervene to

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[4] Niels C. Sorrells and Colin Clark, "Undermanned and Overdeployed? Congress Debates Expanded Army, Congressional Quarterly Weekly, August 2, 2003, p. 1978.

[5] For more information, see CRS Report RS21774, *Bosnia and European Union Military Force (EUFOR): Post-NATO Peacekeeping*, by Julie Kim.

stop the destruction and looting of property. Some KFOR units reportedly failed even to protect Serb civilians and U.N. police from violence.[6] KFOR officers have said the Alliance has taken steps to deal with these problems, including by supplying its forces with non-lethal riot control equipment, establishing clearer lines of authority, and consistent rules of engagement.

EUFOR and KFOR have also played important roles in overseeing the military forces of Bosnia and Kosovo. EUFOR inspects the military arsenals of Bosnia's two armies. EUFOR has uncovered illegal weapons caches on occasion, underlining that tensions in Bosnia, while greatly lessened in the past decade, have not entirely disappeared. NATO and the Office of the High Representative worked together to reform the two Bosnian armies and reduce them in size. These reforms include the unification of Bosnia's two armies under a single command structure, including a Minister of Defense and Chief of Staff. However, the armies remain separate at lower levels.

KFOR monitors the Kosovo Protection Corps, which was formed in 1999 from the Kosovo Liberation Army. Although ostensibly meant to deal with civil emergencies, the KPC is seen by many of its members and many Kosovar Albanians as the nucleus of a future army of an independent Kosovo. KFOR's presence also deters possible Serbian aggression or military provocations against Kosovo, although an invasion of Kosovo by Serbian troops appears unlikely. Nevertheless, Belgrade could escalate tension or even provoke violence over flashpoints such as the divided town of Mitrovica in northern Kosovo, if Kosovo becomes independent. On the other hand, KFOR may also be needed to counter violence by ethnic Albanians if Kosovars grow impatient with delays in the recognition of Kosovo's independence. Given these concerns, the presence of KFOR will be needed for some time after Kosovo's status is determined, although the mission may eventually be turned over to the EU and all U.S. combat troops withdrawn, as in Bosnia, if Kosovo stabilizes.

Restructuring the International Civilian Presence in the Region. Another issue, linked to EUFOR and KFOR's future, is how to reorganize the international civilian presence in the region. U.S. and European officials say that the ad hoc arrangements cobbled together at the end of the conflicts in Bosnia and Kosovo, under which local authorities are supervised and sometimes overruled by international bureaucracies (the Office of the High Representative in Bosnia, the U.N. Mission in Kosovo) should be phased out. They believe that the two main forces for Euro-Atlantic integration, the European Union and NATO, should have a clear leading role in the region, but through advice and aid, not direct rule.

The EU has granted EU candidate status to some countries, and has concluded Stabilization and Association agreements (SAA) with others. The SAA provides a framework for the EU's relations with the Balkan countries, including aid and advice aimed at accelerating reforms and integrating them more closely with the EU. The SAA also gives the countries the prospect of eventual EU membership. Croatia and

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[6] For a detailed account of the riots and the response of UNMIK and KFOR to them, see International Crisis Group, "Collapse in Kosovo," April 22, 2004, at the ICG website, [http://www.crisisgroup.org/home/index.cfm?].

Macedonia were chosen in 2005 to start membership talks with the EU. Croatia has made good progress in its membership negotiations, while the EU has yet to start talks with Macedonia, due to its dissatisfaction with the pace of reforms there. Albania signed an SAA in 2006. Montenegro started its own SAA talks with the EU after separating from Serbia in June 2006 and initialed an SAA on March 15, 2007.

In late 2007, the EU initialed SAAs with Serbia and Bosnia, even though their progress in some areas continued to fall short. This may have been done to bind these countries closer to the EU before Kosovo's status was determined. The EU initialed an SAA with Serbia in November 2007. The current EU position is that the agreement will not be formally signed and submitted for ratification by EU member countries until full ICTY cooperation is achieved, including the transfer of Mladic. However, some EU countries want to sign an SAA with Serbia before Kosovo's status is determined, even without full ICTY cooperation. In January 2008, Serbian Prime Minister Vojislav Kostunica warned that Serbia would not sign an SAA if EU countries recognize Kosovo and deploy an EU mission there to supervise Kosovo's independence.

In December 2007, Bosnia and Herzegovina initialed an SAA with the EU. Signature of the pact is contingent on further progress on police reform, ICTY co-operation, public broadcasting and public administration reform. Kosovo cannot participate in the SAA process while it is part of Serbia but participates in an SAA "tracking mechanism" that provides it with advice and support, with the aim of bringing Kosovo closer to the EU. If Kosovo becomes independent, it may be considered for a Stabilization and Association Agreement.

NATO's future role in the region will take place in part through the Partnership for Peace (PFP) program, which promotes the reform of the armed forces of these countries and their interoperability with NATO. In addition, the Membership Action Plan (MAP) process prepares selected PFP members for possible future NATO membership by providing them with detailed guidance on improving their qualifications. Albania, Croatia, and Macedonia have Membership Action Plans. NATO may consider adding new members to the Alliance at the Alliance's summit in Bucharest in April 2008. Croatia is considered by many experts to have the best chance of securing an invitation, while Macedonia and Albania face more uncertain prospects.

Serbia and Montenegro and Bosnia and Herzegovina were long excluded from PFP due to their failure to cooperate with the International Criminal Tribunal for the former Yugoslavia (ICTY). However, in what many experts viewed as an unexpected reversal of policy, they were permitted to join PFP by NATO in December 2006. This may have been done for the same reasons that later motivated the EU to initial SAAs with these countries in 2007 – to bring them closer to Euro-Atlantic institutions as Kosovo's status was close to resolution and in order to encourage further reform. In the case of Serbia, both moves may have also been timed to assist pro-Western parties in upcoming elections.

Responsibilities for prosecuting war crimes in the region is shifting from the ICTY to local courts. However, the two most notorious ICTY indictees, former Bosnian Serb leader Radovan Karadzic and former Bosnian Serb army chief Ratko

Mladic have not been turned over to the Tribunal. In addition to Karadzic and Mladic, two other ICTY indictees are at large, both Serbs. U.N. Security Council Resolution 1503 calls for the ICTY to complete its investigations by 2004, its trials by 2008 and all appeals by 2010. In Bosnia, international officials worked with local leaders and the ICTY to create a war crimes chamber to try war crimes cases within Bosnia. The United States and other countries assisted Serbia's efforts to set up its own war crimes court.

The Office of the High Representative (OHR) in Bosnia may be eliminated at the end of June 2008, if the country makes sufficient progress in reforms and remains stable. An EU Special Representative will remain but will likely not have powers to impose legislation and dismiss officials as OHR had. It remains to be seen if aid conditionality and the prospect of EU membership in the perhaps distant future will be sufficient to move the reform process forward in Bosnia.

A similar question may be asked of reform in Kosovo. In early 2008, UNMIK may be succeeded by the International Civilian Office that will have some of the powers OHR has had in Bosnia, but will lack UNMIK's direct administrative control. An International Civilian Representative (ICR) would oversee Kosovo's implementation of the plan. The role and powers of the ICR appear to be modeled on those of the international High Representative in Bosnia. The ICR would be chosen by an international steering group of key countries. The ICR would also serve as EU Representative in Kosovo. An American would serve as his or her deputy. The ICR would be the final authority on the implementation of the settlement, and would have the power to void any decisions or laws he or she deemed to be in violation of the settlement, as well as the power to remove Kosovo government officials who act in a way that is inconsistent with the settlement. The ICR's mandate would last until the international steering group determines that Kosovo has implemented the settlement. The first review of settlement implementation would take place after two years.

A mission under the EU's European Security and Defense Policy (ESDP) would monitor and advise the Kosovo government on all issues related to the rule of law, specifically the police, courts, customs officials, and prisons. It would also have the ability to assume "limited executive powers" to ensure that these institutions work properly.

The United States could gradually play a smaller role in the region over time, acting largely through NATO and providing bilateral aid in selected areas, such as reform of intelligence and internal security bodies, military reform and rule of law assistance. However, the prestige and credibility that the United States has in the region will likely still be needed to exercise leadership in resolving some of the most difficult issues, such as the arrest of war criminals and ensuring Kosovo's stability as its status is determined and afterward.[7]

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[7] Council on Foreign Relations, *Balkans 2010: Report of an Independent Task Force*, December 2002, at [http://www.cfr.org].

U.S. and International Aid in the Balkans

Since the end of the wars in the region, U.S. aid has gradually declined, in part due to a natural shift from humanitarian aid to technical assistance and partly due to a focus on assistance to other regions of the world. U.S. bilateral assistance appropriated in the SEED account for political and economic reform in eastern Europe (which now almost exclusively focuses on Balkan countries) fell from $621 million in FY2002 to just under $296 million in FY2008.

The overall goal of U.S. aid to the Balkans is to prepare the countries for integration into Euro-Atlantic institutions. U.S. programs are aimed at promoting good governance, fighting corruption, strengthening civil society and an independent media, enhancing market reforms, reducing threats of weapons of mass destruction, preventing trafficking in persons and contraband, and promoting the rule of law and human rights throughout the region.

U.S. bilateral aid plays a lesser role in assisting macroeconomic reforms, restructuring local industries and the banking sector, and rebuilding infrastructure, although the United States provides important advice in these areas through technical assistance programs. Most funding for these functions are performed by international financial institutions such as the International Monetary Fund, World Bank, and the European Bank for Reconstruction and Development. U.S. officials see the EU as playing the leading role in providing assistance to reform these countries along EU lines, eventually leading to EU membership. As these countries move closer to EU standards, the more advanced countries will "graduate" from U.S. assistance.[8] For example, Croatia graduated from SEED assistance at the end of FY2006. In addition to SEED funding, the countries of the region also receive modest amounts of military aid to help their military reform and NATO integration efforts.

EU Aid to the Balkans. EU countries have a substantial interest in the stability of the Balkans. The region's problems already have a substantial impact on EU countries in such areas as trafficking in drugs and persons. The effect could be considerably worse if the region deteriorates into chaos and conflict. However, some U.S. and European experts have criticized what they view as a lack of vision by the EU in its policy toward the region. Under its Community Assistance for Reconstruction, Development, and Stabilisation (CARDS) aid program for the region, the EU allotted 4.65 billion euros ($5.6 billion) from 2000-2006.[9]

Skeptics of EU policy said this level of resources appeared at odds with commitments made at the June 2003 Thessaloniki EU summit with the countries of the Western Balkans. At the summit, EU leaders recognized the countries of the region as prospective EU members. Critics pointed to generous EU pre-accession aid given to Central European countries and to neighboring Bulgaria and Romania as a model, saying more extensive aid would help the Balkan countries restructure their

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[8] *FY 2004 SEED Act Implementation Report*, available online at the State Department website [http://www.state.gov/p/eur/rls/rpt/c16087.htm].

[9] CARDS financial statistics at the European Union website [http://ec.europa.eu/enlargement/financial_assistance/cards/index_en.htm].

economies and legal systems more quickly to meet EU conditions for membership, while bringing local living standards somewhat closer to EU standards.[10] The EU has taken steps that appear to be aimed at dealing with these problems. CARDS has been folded into the Instrument for Pre-Accession Assistance (IPA), which helps all countries seeking EU membership. The EU has allocated 11.468 billion euros (over $16.87 billion) for the IPA for 2007-2013.[11]

The prospects for Balkan countries to join the EU are clouded by public skepticism in wealthy EU member states about the benefits of further enlargement. While Croatia may join the EU in the next few years, it take much longer for other countries to gain membership, given their current poverty and need for further progress on reforms.[12]

The War on Terrorism and the Balkans

Since the September 11 attacks on the United States, the war on terrorism has been the United States' main foreign policy priority and has had an impact on U.S. policy in the Balkans. In the 1990s, wars and political instability provided an opportunity for Al Qaeda and other terrorist groups to infiltrate the Balkans. However, U.S. and European peacekeeping troops, aid, and the prospect of Euro-Atlantic integration helped to bring more stability to the region. Moreover, the September 11, 2001, attacks on the United States underscored for the countries of the region the dangers of global terrorism and resulted in increased U.S. attention and aid to fight the terrorist threat. In part as a result, many experts currently do not view the Balkans as a key region harboring or funding terrorists, in contrast to the Middle East, South Asia, Southeast Asia, and Western Europe.

However, experts note that the region may play a role in terrorist plans, as a transit point for terrorists, as well as for rest and recuperation. Moreover, they agree that the region's continuing problems continue to leave it vulnerable to terrorist groups. In October 2005, Bosnian police captured an Islamic terrorist cell that was plotting to blow up the British Embassy in Sarajevo. This and several other incidents have caused some experts to be concerned that the Balkans may play a greater role in terrorist plans than in the past.[13]

U.S. officials have cited the threat of terrorism in the Balkans as an important reason for the need for continued U.S. engagement in the region. In addition to the need to take steps to directly combat terrorist infrastructure in the region, U.S. officials say that U.S. efforts to bring stability to the region also help to fight terrorism. They note that political instability, weak political and law enforcement institutions, and poverty provide a breeding ground for terrorist groups. U.S.

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[10] Discussions with U.S. and European Balkans experts.

[11] For more, see the European Stability Initiative website at [http://www.esiweb.org].

[12] For more information on EU enlargement policies, see the EU Commission's Enlargement website at [http://ec.europa.eu/enlargement/index_en.htm].

[13] Rade Maroevic and Daniel Williams, "Terrorist Cells Find Foothold in the Balkans," *Washington Post*, December 1, 2005, 16.

objectives are also outlined in the *9/11 Commission Report and the President's National Strategy for Combating Terrorism*, which calls for the United States to work with other countries to deny terrorists sponsorship, support, and sanctuary, as well as working to diminish the underlying conditions that terrorists seek to exploit.

The United States has a variety of instruments to fight terrorism in the Balkans. One is the presence of U.S. troops in Kosovo and intelligence personnel in Bosnia. The United States also provides bilateral counterterrorism assistance to the countries of the region. The overall U.S. aid program to the region, aimed at bringing stability through strengthening the rule of law and promoting economic reform, also serves to combat the sometimes lawless climate in which terrorists can thrive. U.S. aid helps to develop export control regimes in the region, including over weapons of mass destruction and dual-use technology. The United States has encouraged regional cooperation on terrorism and international crime through the Southeast European Cooperation Initiative (SECI). In the longer term, efforts to stabilize the region, and thereby perhaps reduce its attractiveness to terrorists, are also dependent upon integrating it into Euro-Atlantic institutions.[14]

The Role of Congress in U.S. Balkans Policy

Congress has played an important role in shaping U.S. Balkans policy. Members of Congress spoke out strongly against atrocities by Serbian forces in Croatia and Bosnia in the early 1990s. Some Members pushed for lifting the arms embargo against the Bosniaks, so that they could better defend themselves. Congressional pressure may have encouraged the Clinton Administration to play a bigger role in stopping the fighting in Bosnia, ultimately culminating in the Dayton Peace Accords in 1995. Congress also played an important role in supporting the International Criminal Tribunal for the Former Yugoslavia and pressing for the arrest and transfer of indictees.

Despite the activism of some Members on these issues, many in Congress remained cautious about U.S. military involvement in the Balkans. The deployment of U.S. peacekeepers in Bosnia in 1995 and the air war in Kosovo in 1999 provoked heated debate in Congress, in part due to policy disagreements, in part due to partisan conflict between the Clinton Administration and a Republican-led Congress. However, despite sometimes harsh criticism, both military missions received full congressional funding. Nevertheless, concerns about the costs of open-ended missions led Congress to try several strategies to limit these uncertainties. These included pressing the Administration to set benchmarks for the deployments and to report on them. Congress also sought to limit U.S. engagement by pushing for greater burdensharing. As a result of legislation and congressional pressure, the U.S. aid and troop contributions in Bosnia and Kosovo were capped at no more than 15% of the total contributions of all countries.

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[14] For more information on terrorism in the Balkans, see CRS Report RL33012, *Islamic Terrorism and the Balkans*, by Steven Woehrel.

The end of the wars in the Balkans and the shift in U.S. priorities in the wake of the September 11 attacks have moved the Balkans to the periphery of congressional concerns, at least when compared to the situation in the 1990s. However, Congress continues to have an important impact in several areas. Foreign operations appropriations bills have at times moderated SEED funding cuts proposed by the President, and have shown particular support for aid to Montenegro, in recognition of that republic's resistance to the Milosevic regime until the Serbian leader's ouster in 2000.

Congress has also played a critical role in helping to bring Serbian war criminals to justice. Since FY2001, Congress has included provisions in foreign operations appropriations bills that attached conditions on some U.S. aid to Serbia's central government, requiring cooperation with the war crimes tribunal, ending support to Bosnian Serb structures, and respect for minority rights. It can be argued that these provisions were a key catalyst for former Serbian leader Slobodan Milosevic's transfer to the tribunal in 2001, as well as the transfer of many others since then. However, the fear of suspected war criminals that they would be turned over to the Tribunal to comply with the aid criteria may have led to the murder of Prime Minister Djindjic in March 2003.[15] Four major indicted war criminals remain at large, including former Bosnian Serb leader Radovan Karadzic and former Bosnian Serb army chief Ratko Mladic. Congress may consider similar aid conditions in the FY2009 foreign operations appropriations bill.

Another Balkan issue on which some Members have focused on is the status of Kosovo. In the 108th Congress, several House and Senate resolutions (H.Res. 11, H.Res. 28, and S.Res. 144) were introduced that dealt with the issue, some of them supporting independence for Kosovo. However, while some Members have strongly favored Kosovo's independence, others have been leery of taking steps that they believe could destabilize the region. H.Res. 28 was discussed at a House International Relations Committee hearing on Kosovo's future in May 2003 and at a markup session on the resolution in October 2004, but was not voted on by the Committee and did not receive floor consideration in the 108th Congress.

The 109th Congress also took up the issue of Kosovo's status. On January 4, 2005, Representative Tom Lantos introduced H.Res. 24, which expresses the sense of the House that the United States should support Kosovo's independence. On October 7, 2005, the Senate passed S.Res. 237, a resolution supporting efforts to "work toward an agreement on the future status of Kosovo." The resolution said that the unresolved status of Kosovo is not sustainable. It did not express support for any particular status option but said that it should "satisfy the key concerns" of the people of Kosovo and Serbia and Montenegro. An identical House resolution was introduced on December 17, 2005 (H.Res. 634).

Legislation on Kosovo's status has been introduced in the 110th Congress. On January 5, 2007, Representative Lantos introduced H.Res. 36, which calls on the United States to express its support for Kosovo's independence. On March 29, 2007,

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[15] For more information, see CRS Report RS21686, *Conditions on U.S. Aid to Serbia*, both by Steven Woehrel.

Senator Lieberman introduced S.Res. 135, which expresses the sense of the Senate that the United States should support Kosovo's independence. It says that if the U.N. Security Council does not pass a resolution supporting the Ahtisaari proposal in a timely fashion, the United States and like-minded countries should recognize Kosovo's independence on their own. A companion House measure, H.Res. 309, was introduced by Representative Engel on April 17. On May 24, Representative Bean introduced H.Res. 445, which expresses the sense of the House that the United States should reject an imposed solution on Kosovo's status and not take any unilateral steps to recognize Kosovo's independence. The second session of the 110th Congress may also consider legislation on Kosovo's status and Kosovo's post-status development.