

S. HRG. 110-629

## KOSOVO: THE BALKANS' MOMENT OF TRUTH?

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### HEARING

BEFORE THE

### COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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MARCH 4, 2008

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## **KOSOVO: THE BALKANS' MOMENT OF TRUTH?**

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**TUESDAY, MARCH 4, 2008**

**U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.***

The committee met, pursuant to notice, at 9:40 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr. (chairman of the committee) presiding.

Present: Senators Biden, Boxer, Cardin, Lugar, and Voinovich.

**OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR.,  
U.S. SENATOR FROM DELAWARE**

The CHAIRMAN. Welcome, everyone. To state the obvious, today's hearing is on Kosovo.

Kosovo's status has been the last major challenge left after the dissolution of Yugoslavia. The country's legal limbo up to now has meant that people had no prospect of securing foreign investments required to rebuild their economy, or a political foundation on which to rebuild their society.

For years, the United Nations tried to broker an agreement on Kosovo's independence. Unfortunately, Serbia and its Russian patron rejected a plan that would have guaranteed Kosovo supervised independence and provided powerful protections for the Serb minority.

Not once during the 2 years of negotiations on Kosovo's future did Serbia make a case for how continuing Serb sovereignty over the province would improve the lives of the ethnic Albanians, who make up 90 percent—90 percent—of Kosovo's population.

In the modern world, sovereignty isn't an ancestral right; it's a sacred trust between a government and its people. Slobodan Milosevic violated that trust when he tried to ethnically cleanse Kosovo. And subsequent Serb governments, in my view, have done nothing to reestablish it. Belgrade only wanted to hang on to Kosovo, not the Kosovars who live there.

We live in a world where history matters, but so do human beings. Kosovo could not remain a territorial souvenir of Serbia's past imperial glory. So while resolving Kosovo's status through a unilateral declaration of independence is hardly ideal, I believe it was necessary. I am proud the United States was among the first countries in the world to recognize the newly independent Kosovo.

Kosovo's new government has to protect the magnificent heritage of Serbia's past, but we must help safeguard Kosovo's future. Kosovo's democratically elected government has agreed to strong protections for Kosovo's ethnic minorities, and initiated a series of

conciliatory contacts with Kosovo's Serbs. The people of Kosovo are demonstrating what type of country they want to create. If they succeed, Kosovo will prosper.

It won't be easy. Kosovo is struggling with epic levels of unemployment, widespread corruption, and continuing ethnic tensions. But the country possesses significant energy reserves, a young population, and the makings of the world's most pro-Western majority Muslim democracy.

If its people continue protecting human rights and combating corruption, Kosovo's leaders will deserve our strong support. And as they work to fulfill their destiny and join the community of nations and international institutions, we should be helpful. Ideally, we could offer enthusiastic support for Serbia's Euroatlantic ambitions, as well. Belgrade should be setting the pace by which other countries in the Balkans measure their progress in joining the European Union and NATO.

Instead, Serbs have been victimized by leaders who, to misquote Abba Eban, "never miss an opportunity to miss an opportunity." Instead of proceeding boldly toward Europe, leaders in Belgrade have hunkered down for a last stand amid the ruined policies of the recent past.

I am particularly disappointed by the actions of the Serbian Government officials who came to office, having ousted a tyrant, but have now resorted to the same tactics and tirades they once opposed. Prime Minister Kostunica's continuing refusal to call for the arrest of fugitive war criminals, and his opposition to signing a Stabilization and Association Agreement with the European Union, have severely undermined Belgrade's international standing. Other Serb leaders have been less flagrant in their actions, but have still failed to take the tough stands that would allow their country to move forward. The violence that followed Kosovo's declaration of independence was predictable, was the preventable result of those individuals stoking fires of public rage, and then abdicating responsibility for the consequences. Serbia's Government should stop using Kosovo's independence as an excuse to inflict more damage on their wounded nation.

It should start to turn the page on its foreign policy of the last 15 years and pursue a future as part of Europe. We cannot allow the dysfunction gripping Belgrade to spread to Kosovo and Bosnia. Americans, Europeans, and other international partners have invested too much in those countries to see their democratic ambitions thwarted.

Any attempt by Belgrade to sow chaos in Northern Kosovo or Bosnia's Republika Srpska should be dealt with quickly and decisively by the European Union and NATO. Serbia's actions should also factor in the decision of foreign investors who are considering projects in their country.

For 8 years now, the people of Kosovo, and the region have struggled to build their economy and societies on a foundation of uncertainty. Today, we have an opportunity to remove that veil of doubt. Europeans and Americans should be wary of calls for hasty disengagement from the region, now that Kosovo is on its own.

Tensions will continue to run high during the next few months. Even under ideal circumstances, maintaining stability in the Bal-

kans will require significant infusion of development aid, peace-keeping, and robust diplomacy. And I look forward to hearing from the witnesses today and how the United States plans to support Kosovo in the challenging days and weeks ahead.

We should recognize Kosovo's independence for the milestone that it is. Managed deftly, it will remove the last major stumbling block standing between the Balkans and a peaceful and prosperous future.

I now yield to Senator Lugar. Chairman Lugar.

**STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Thank you very much, Mr. Chairman. I join you in welcoming our distinguished witnesses.

The February 17 declaration of independence by Kosovo is an important step toward putting the violence and unstable history of the Balkans in the past. But our work there is certainly not done.

The United States and our allies must support the integration of Kosovo into international and Euroatlantic institutions. We must also be prepared to work closely with Serbia and assist with their goals of joining the European Union and engaging European institutions. In my view, lasting stability and security in Southeastern Europe requires the military, economic, and political integration of emerging democracies into existing European structures.

An international mission led by the European Union will take over from the United Nations as the leading civilian mission in Kosovo. The goal must be the creation of a functioning democracy and free market economy based on the rule of law.

I am hopeful that the United States and the European Union have the infrastructure in place to secure a peaceful outcome in the region, and to protect the minorities living in Kosovo, as well as their property and cultural heritage. We must not permit social unrest or interethnic violence to reemerge in the Balkans. The Transatlantic Community bears a special responsibility to prevent acts of violence, such as those that occurred in 2004 when minorities were attacked and churches and homes were vandalized and burned.

This has been a difficult process for Serbia and the Serbian people, but this in no way justifies the events surrounding the attack on the U.S. Embassy in Belgrade. The absence of significant Serbian security forces to protect international diplomatic facilities is inexcusable. The President and the Prime Minister of Serbia are responsible for ensuring that the events of February 21 are never repeated.

Despite the events surrounding the attack on the U.S. Embassy, NATO and the European Union must stand ready to accelerate engagement and consider membership in the transatlantic institutions upon Belgrade's fulfillment of its obligations to the International Criminal Tribunal for the former Yugoslavia. Serbia's entry into NATO's Partnership for Peace program was an important step.

The international community must remain committed to the full and complete implementation of the Ahtisaari Plan. The United Nations Special Envoy, Martti Ahtisaari, describes his proposal as,

"A foundation for a democratic and multiethnic Kosovo, in which the rights and interests of all members of its communities are firmly guaranteed and protected by institutions based on the rule of law."

Last week I offered a resolution expressing the Senate's strong support for the North Atlantic Treaty Organization to extend invitations for membership to Albania, Croatia, and Macedonia at the April 2008 Bucharest Summit. The so-called Adriatic Three will play an important role in preserving peace and stability in South-eastern Europe.

These countries occupy critical geostrategic locations, and are well-suited to deter efforts to destabilize the region through violence. NATO membership for these countries would continue to extend the zone of peace and stability into a critical region that has been encumbered by conflict.

I am hopeful the United States, NATO, and the European Union have the wisdom and endurance to see this process through to an outcome that contributes to the security of Europe, and lifts a region and its people toward greater security and prosperity.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

One of our colleagues has done a great deal of work in this area of the world and has a keen interest in this subject. I'd like to give him an opportunity to make an opening statement.

Governor.

**STATEMENT OF HON. GEORGE VOINOVICH,  
U.S. SENATOR FROM OHIO**

Senator VOINOVICH. Thank you very much, Mr. Chairman. You've been very generous with your time and the conversations we've had over the last several years about this situation there.

As you know, Southeast Europe is near and dear to my heart. I have spent many hours in meetings, hearings, and briefings related to the area, and have traveled to the area frequently, perhaps more than any member of this committee.

Like many of us here today, it's been my hope to see all of the countries of Southeast Europe live peacefully together, integrated fully under the umbrella of the NATO security framework and the European Union. It's my strong belief that by uniting all the countries of the former Yugoslavia under the same economic and security framework, we can bring lasting stability and peace to that part of the world, which has been in turmoil for a good part of its history.

During my time in the Senate Foreign Relations Committee, I have worked very hard to promote that agenda. And I've been focused on Kosovo, because of the status process, and because of my fear that Kosovo—if not handled properly—will return that part of the world to violence and instability, and prevent the peace we all hope for from coming true.

I'm sure that Ambassador Fried is getting tired of seeing me and hearing this speech, because he and I have had countless conversations over the last 4 years on these very issues.

Mr. Ambassador, I want to take this opportunity to thank you for being so generous with your time. You have spent a lot of time

briefing me on the issue, and it's been important for me to know that it is on your front burner.

I believe strongly that the most important thing for the region today is to preserve stability, prevent a return to violence, and keep Southeast Europe on track to integration with NATO. While I supported an outcome on the status of Kosovo, based on mutual agreement between Serbia and Kosovo, and the support of the U.N. Security Council, and was very disappointed that it did not occur, I believe it is fundamental that the region stay on the path of full integration and peace.

I believe that it is crucial that all sides reject violence and other forms of provocations that could endanger that goal or send the region into a full-blown economic and security crisis.

Today, the Serbian people are very upset and angry. But the majority of the people have not expressed their emotions through aggression or violence. They are protesting peacefully, and adhering to a commitment to civility and human rights. Although, I agree with the chairman and others of our disappointment with the burning of the U.S. Embassy, and I think that the leadership there should have anticipated that something like that could have happened, and should have been more on the ball.

In the south, there are many enclaves of Kosovar Serb communities. The Serbs do not appear to be leaving in a mass exodus, which many feared. They are definitely unsure of their future, but they're not leaving, and I hope they don't. For the Serbs to leave Kosovo would be a tragedy, and we must do everything in our power to encourage them to stay, and discourage Belgrade from interfering in their lives.

Frankly, I'm very disappointed that Belgrade discouraged them from participating in the Kosovo Government for the last several years. But in order to see any level of progress in Kosovo and the rest of the region, we must work now to make serious gains in trust of Kosovo's Serb populations and other minorities.

The time is now, and it will be lost if it is not seized in extraordinary ways by the Kosovar Government, at the heavy and constant urging of the United States and the European Union. The Kosovar Government needs to act immediately to implement the promises in the Ahtisaari Agreement, and we need to pressure them to do so. Because of the leading role the United States played in Kosovo, we have a primary responsibility of making sure the agreement is implemented, and the infrastructure is in place to support it.

We must see concrete, extraordinary actions to show the Kosovar Serbs and other minorities that they can live peacefully in Kosovo without any physical harm or fear of discrimination. We need to see real actions to implement a plan for bringing back refugees and internally displaced people who are not likely to return, unless they know they will be settled in places where they can have actual jobs, and access to hospitals, police, and freedom to move about without KFOR protection, which is still the case in some parts of Kosovo.

We need to see real actions to stand up a fair judiciary system that is capable and willing to prosecute criminals who commit ethnic violence and crimes, showing minorities that attempts to attack

them will be punished swiftly. It's outrageous that there are still criminals from the violent attacks of March 2004 who still have not been brought to justice and punished.

And we need to see real action to establish the protective zones around Serbian Orthodox Churches, per the agreement, and to provide physical security where needed based on the request of the churches. We need to see real actions by the Kosovo Government to show minorities that they are going to have a chance at a life in Kosovo, because that is key to making Kosovo work in the long run, and key to their acquiring the respect of the international community and all the benefits that go with true independence, which they desperately want.

And because the United States and the European Union have played such a large role in the creation of Kosovo, it's our responsibility to make sure it happens.

In spite of my urging to let the Europeans take the leadership on the discussion on the future of Kosovo, the United States has been at the forefront of the movement for Kosovo's independence, as so eloquently stated by the chairman of this committee. And we must be in the forefront of making it work for everyone, and insisting that the European Union fulfill its obligations under the Ahtisaari Agreement.

In a final comment, I believe we need to recognize how difficult this experience has been for the people of Serbia. This is emotional and traumatic for the country, and shouldn't be written off lightly by our country.

And with your permission, Mr. Chairman, I'd like to insert in the record the full written statement by Vuk Jeremic, the young new Foreign Minister of Serbia, whom I have known and respected for many years, and was a leader in the young Otpor group that defeated Slobodan Milosevic at the polls and sent him on his way to The Hague. This is an outstanding young man, who is now their Foreign Minister.

It is clear that our Nation's friendship and relationship with Serbia will not be repaired overnight, but we must stay focused on the goal of repairing it, which is in our mutual interest. I say this to the administration and my colleagues here today, as well as to my friends in the Serbian diaspora and Serbia; we cannot forget the importance and value of the United States/Serbia friendship.

We must do everything in our power to heal the wounds created by the outcome in Kosovo and to avoid making them deeper or irreparable. We must look to the future and remember our shared goals and values as friends, looking to the brighter days ahead of us, and sustaining the bridges that will get us there, for ourselves, for stability in Southeast Europe, and peace in the world.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator.

Our first witness today is the Honorable Daniel Fried, Assistant Secretary of State for European and Eurasian Affairs. Ambassador Fried is a career Foreign Service officer. He's held very prominent positions in both Democratic and Republican administrations. He's currently acting Under Secretary for Political Affairs, following Nick Burns's departure.

I welcome him today, and look forward to his testimony.

**STATEMENT OF HON. DANIEL FRIED, ASSISTANT SECRETARY  
OF EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF  
STATE, WASHINGTON, DC**

Mr. FRIED. Thank you, Chairman Biden, Ranking Member Lugar, members of the committee. And thank you for the opportunity to discuss Kosovo.

We stand today at the end of one of Europe's most tragic episodes, the violent breakup of Yugoslavia. Kosovo's declaration of independence concluded that agonizing process, but opens a new chapter. It brings Europe closer to the goal of being whole, free, and at peace, but brings new challenges. Our work there is not done.

As you saw on television 2 weeks ago, emotions have run high over this issue in Serbia. Serbia strongly opposes Kosovo's independence. We have understood this and are trying to reach out to Serbia. This makes the mob attack on our Embassy and other embassies in Belgrade all the more disgraceful.

The role of some of Serbia's leaders in that violence is not clear and may never be. But beyond doubt, some Serbian leaders incited the population, creating the environment of hostility that led directly to the attack. We hold the Serbian Government responsible for what happened on February 21, as well as for future such incidents. I remind the Serbian authorities of their responsibilities to provide for the security of the embassies under the Vienna Convention.

Within Kosovo, we have also witnessed provocations and even Serbian incitement of violence. Serbs and anyone else have the right to protest Kosovo's independence, but there is no right of violence or intimidation. We urge leaders throughout the region to show responsibility. The United States opposes, and will continue to oppose, attempts to partition Kosovo.

The choices we've faced with Kosovo were limited, and we've made the best of them. It's important to recall how we got here to understand how we go forward.

The breakup of Yugoslavia was nonconsensual and exceedingly violent. It started when Slobodan Milosevic became a dictator. His aggressive nationalism tore apart the country. In Kosovo, Milosevic first instituted an apartheid-like system of Serbian ethnic rule, stripping Kosovo of its autonomy within Yugoslavia. And initially, marginal resistance in Kosovo grew, propelled by these tactics.

By the end, Milosevic's actions were savage. Entire villages were shelled, civilians were executed, families were massacred, hundreds of thousands of civilians were deported or forced to flee.

In 1999, NATO took action, and Milosevic capitulated. In June 1999, the U.N. Security Council adopted Resolution 1244, which suspended Belgrade's rule of Kosovo, placed Kosovo under interim U.N. administration, and authorized a NATO-led peacekeeping force to provide for a secure environment. That resolution also envisioned a political process to determine Kosovo's future.

Kosovo, under U.N. administration, made progress but its unresolved status cast a dark shadow. The U.S. administration sought a diplomatic solution. In early 2006, with U.S. support, the U.N. appointed former Finnish President Martti Ahtisaari as Special Envoy, with a mandate to negotiate Kosovo's final status.

After 14 months, President Ahtisaari concluded that the parties were deadlocked. He presented to the Security Council a plan which recommended that Kosovo become independent, but subject to a period of international supervision, and included detailed and extensive measures to protect Kosovo's non-Albanian communities, especially the Serbian community.

Kosovo's leaders accepted this compromise. Serbia's leaders did not. An overwhelming majority of U.N. Security Council members agreed with his recommendation, as did most states in Europe. The administration and our European allies did all we could to secure U.N. Security Council endorsement of the Ahtisaari Plan, but were blocked by Russia.

We supported one last effort to negotiate a solution, the so-called Troika of European Union, United States, and Russian negotiators. And our mission ended last December, also without success.

The people of Kosovo understandably refuse to endure perpetual uncertainty. On February 17, they brought closure to this issue by declaring Kosovo to be an independent and sovereign state. In response, the United States and key European allies have recognized Kosovo's independence.

The decision to recognize Kosovo was necessary. The reality was clear. Serbia was never going to rule Kosovo again. U.N. administration was never meant to be a long-term solution.

From this point, the people of Kosovo have the responsibility to create a state that meets the standards of the democratic community of nations. Kosovo committed in its declaration of independence to fully implement its obligations under Ahtisaari, which contains broad safeguards for minorities, especially the Serbian community; a plan for the decentralization of government; constitutional guarantees for all citizens; and the protection and promotion of cultural and religious sites, particularly those of the Serbian Orthodox Church in Kosovo.

Since independence, I can report that Kosovars have moved swiftly to implement their Ahtisaari obligations. The Kosovo Assembly has passed, in one of its very first sessions, nine key Ahtisaari-related laws. Kosovo has prepared a draft constitution we believe fully consistent with the Ahtisaari Plan.

Prime Minister Hashim Thaci and President Fatmir Sejdiu have reaffirmed repeatedly and publicly their commitment to all aspects of the Ahtisaari package. Prime Minister Thaci has appointed two ethnic Serbs to his Cabinet.

With its consent, Kosovo will be supervised for a period ahead by an International Civilian Office, primarily a European undertaking, but with strong U.S. participation. The United States will cover 25 percent of this office's operating costs, and the deputy will be a Senior U.S. Foreign Service officer.

The European Union is deploying a Rule of Law Mission to Kosovo, with around 1,900 international staff and over 1,000 local staff, the largest such endeavor the European Union has ever undertaken. NATO, in its KFOR mission, will continue to provide security on the ground, authorized under U.N. Security Council Resolution 1244.

With our assistance, and the support of the World Bank and IMF, Kosovo will be viable. It has massive lignite coal reserves,

and a young, motivated population yearning to join the European family. The United States will participate in a major donors' conference planned this summer. Kosovo will also require support across the board as it establishes institutions of good governance.

Thankfully, and with the help of many—with the help of this committee, the United States has learned much since 1989 about how to help post-Communist countries who choose the path of reform.

I want to address how Kosovo's independence affects relations with Serbia and Russia.

Serbia has every right to participate in providing for the welfare of Serbs in Kosovo, as provided in the Ahtisaari Plan. But Serbia must put aside politics of nationalism. In the end, Serbia faces the choice of whether to move toward Europe or self-imposed isolation.

Russia was a close part of the diplomatic efforts on Kosovo and closely involved in the Ahtisaari process, including the plan to provide protection from the Serbs in Kosovo. We urge Russia to explicitly call for calm and responsibility in ways that will be heard unambiguously by Serbia and by the Serbs in Kosovo and Bosnia and Herzegovina.

Let me address concerns that independence for Kosovo sets a precedent for other separatist conflicts. In our view, it simply does not. Kosovo's independence is the result of the breakup of Yugoslavia into many successor nations. The Kosovo situation includes many a factor simply not found elsewhere, including this and the fact that Kosovo has been administered by the U.N. for 9 years.

Let me urge, in particular, the leaders of Bosnia and Herzegovina to remember that their country's future lies with Europe. The constitutional structure of Bosnia needs improving, and the United States and European partners support the improvement, but not the apparition of the Dayton arrangements—and this, only through negotiations, not threats or ultimatums. We are prepared to work cooperatively with the leaders of the Bosnian-Croat Federation, Republika Srpska, and Bosnia and Herzegovina as a whole, on this basis.

The United States and our European allies have done and will do all within our power to bring a sustainable solution to the Kosovo challenge. In Kosovo, as with other Yugoslav problems, the United States did not have a choice among risk-free options, but I believe that the path we took was the right one.

Mr. Chairman, I look forward to your questions.

[The prepared statement of Mr. Fried follows:]

PREPARED STATEMENT OF HON. DANIEL FRIED, ASSISTANT SECRETARY OF STATE FOR  
EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Chairman Biden, Ranking Member Lugar, members of the committee, thank you for giving me the opportunity to discuss Kosovo. We stand today at the end of one of Europe's most tragic episodes: The violent breakup of the former Yugoslavia. Kosovo's declaration of independence on February 17 concluded the agonizing, years-long process of that nation's disappearance.

Kosovo's declaration of independence ends one chapter but begins another. We must deal with short-term challenges of security and longer term challenges of Kosovo's development. These are serious. Many things can go wrong and some things probably will. But the status quo was unsustainable; and seeking to sustain it would have led to even greater challenges.

Kosovo's independence brings Europe closer to the goal of being whole, free and at peace. Three American Presidents—Presidents George W. Bush, Bill Clinton, and George H.W. Bush—articulated and advanced the strategic objective of helping Europe become whole, free, and at peace. Kosovo is one of the last unresolved problems preventing completion of this goal.

Now, as you saw on television 2 weeks ago, emotions have run high over this issue in Serbia. Serbia strongly opposed Kosovo's independence. We have understood that, and have tried to reach out to Serbians diplomatically during what has been a painful period for them.

This makes the mob attack on our Embassy and other Embassies in Belgrade all the more disgraceful. What happened was reprehensible and some Serbian authorities bear full responsibility. The role of some of Serbia's leaders in the mob violence against our Embassy and other Embassies in Belgrade is not clear and may never be. But beyond doubt, some Serbian leaders incited the population with nationalist rhetoric, creating the environment of hostility that led directly to the attack. We therefore hold the Serbian Government responsible for what happened on February 21 as well as for any future incidents. I want to use this forum, as I have used others, to remind the Serbian authorities of their responsibilities to provide for the security of embassies under the Vienna Convention.

Within Kosovo, there has also been Serbian incitement to violence. Serbs and anyone else have the right to protest Kosovo's independence. But there is no right of violence or intimidation. Attacks in northern Kosovo on international personnel have occurred. They are unacceptable. So are statements that provoke or condone such violence. We ask leaders throughout the region to show responsibility.

The choices we had with Kosovo were limited, and we made the best of them. It is important to recall how we got to Kosovo independence to understand how we go forward.

The breakup of Yugoslavia was nonconsensual and exceedingly violent. It started when Slobodan Milosevic became dictator of Serbia and started to bully the other constituent parts of Yugoslavia. In 1989, he stripped Kosovo of the autonomy it had enjoyed within Yugoslavia. This sowed the seeds of the Kosovo conflict. Milosevic's tactics caused Slovenia to leave, to be followed by the other constituent republics, Croatia, Macedonia, Bosnia-Herzegovina, and Montenegro. Milosevic responded by instigating conflicts of varying intensity.

Throughout the 1990s, Milosevic's constant stoking of nationalist flames wreaked havoc with Yugoslavia. So Yugoslavia no longer exists. Kosovo's declaration of independence was the final act of its dissolution.

Milosevic policy toward Kosovo from 1989 to 1999 is a sad tale of destruction, even by the terrible standards of the Yugoslav wars. First, the Serbian dictator instituted an apartheid-like system of Serbian ethnic rule in Kosovo. Kosovo's ethnic Albanians, over 90 percent of the population, endured systematic discrimination and dismissal from their jobs. At first, the people of Kosovo resorted to nonviolent resistance, hoping to avoid the horrors unleashed in nearby Bosnia and Croatia. When some of them turned to armed resistance, something the United States did not support, Milosevic's response was savage: Entire villages were shelled; civilians were executed; families were massacred. Refugees streamed into the mountains, unsheltered in the snow.

Starting in 1993, the U.N. Security Council began to meet to discuss the situation in Kosovo and started issuing resolutions. By 1999, the Council had issued no fewer than seven demanding a halt to massive human rights violations. The Milosevic regime ignored them all.

Finally, in 1999, with the Government in Belgrade refusing to halt its ethnic cleansing in Kosovo despite an intensifying series of warnings, NATO's then-19 allies reached a unanimous decision to take collective action to remove Serbia's police and military forces from Kosovo.

President Clinton and his European counterparts rightly decided that ethnic cleansing could not be allowed to continue. After exhaustive diplomatic efforts failed to end the violence, NATO launched an aerial bombing campaign against Milosevic's forces in March 1999. Milosevic responded with an unrestrained campaign of terror against Kosovo's civilians. By April, the U.N. was reporting 850,000 Kosovo Albanians had fled their homes, and this was a conservative estimate. Serb paramilitary groups organized pogroms and marched Kosovo Albanian citizens to train depots to be forcibly deported to Macedonia; these images and their reminders of an earlier period of ethnic crime in Europe were chilling.

After 79 days of bombing, Milosevic capitulated. In June 1999, the U.N. Security Council adopted Resolution 1244, which suspended Belgrade's governance of Kosovo and placed Kosovo under interim U.N. administration. In that same resolution, the Security Council authorized a NATO-led peacekeeping force to provide for a safe

and secure environment. From that time forward, Kosovo was administered by the United Nations under UNSCR 1244. The resolution also provided for local self government and envisioned a political process that would determine Kosovo's future. That process has now resulted in Kosovo's independence.

This is something that needs emphasizing. Resolution 1244 removed Serbia from having any remaining role in governing Kosovo. That was 9 years ago, which was already 10 years after Slobodan Milosevic first started his destruction of Kosovo. The vote for Resolution 1244 was 14–0, with China abstaining but with Russia's full support.

UNSCR 1244 specifically envisioned a U.N.-facilitated process to address Kosovo's future status, a way forward which the U.S. actively supported. Additionally, while 1244 sought an agreement between the parties, it did not require one. Its drafters did not rule out any possible options for status and the resolution itself even contemplates the possibility of independence as an outcome.

The resolution also placed Kosovo, for a limited time, under international administration. After the war, Kosovo made progress under U.N. tutelage. Those whom Milosevic had expelled returned quickly to Kosovo. The U.N. helped the people of Kosovo build local governments, a Kosovo Assembly and a multiethnic police force. Bitterness and fear still pervaded much of Kosovo, but progress was made.

Nevertheless, the unresolved question of Kosovo's status continued to cast a dark shadow. The administration has deliberately and systematically sought a diplomatic solution to this vexing question. We supported negotiations between the parties, which lasted 2 years.

In early 2006, the United Nations appointed a respected European statesman, former Finnish President, Martti Ahtisaari, as Special Envoy with a mandate to negotiate a solution to the problem of Kosovo's final status.

Ahtisaari worked intensively with the parties, discussing in particular a wide range of measures to protect Kosovo's minorities in general and the Serbian community in particular. They also discussed measures to enhance good governance, including decentralization of local government, protection of religious and cultural heritage, including Serbian sites in particular, and to promote economic development.

After 14 months, in April 2007 Special Envoy Ahtisaari concluded that the parties were at an unresolvable impasse. In his view, no additional negotiations, no matter their duration, would be able to produce an agreement between the parties. Therefore, he presented to the U.N. Security Council his own recommendations for Kosovo's future status. His plan included a comprehensive set of measures to protect Kosovo's non-Albanian communities. He also recommended that Kosovo become independent subject to a period of international supervision. Kosovo accepted this compromise package; Serbia did not.

An overwhelming majority of U.N. Security Council members agreed with his recommendation, as did all of the EU members who were on the UNSC at the time and most other states in Europe—the region most affected by new instability in the region. The administration did all it could last summer to try to secure U.N. Security Council endorsement of the Ahtisaari Plan. We believed that prompt Security Council action would send a positive message of global unity on this issue and pave the way for a smoother transition for Kosovo. The EU and United States desire to manage the Kosovo situation through the UNSC was stymied by Russia.

In one last-ditch effort to explore every conceivable basis for a negotiated settlement, we then participated directly in an additional 4 months of negotiations under the auspices of a Troika composed of the United States, the EU and Russia, a proposal made by French President Nicholas Sarkozy. This Troika—with Ambassador Frank Wisner as the U.S. representative—explored all imaginable status outcomes—including confederation, independence, and substantial autonomy—but no agreement between the parties was found.

After the Troika talks ended last December 10, it became clear that the potential of negotiations to reach an agreement was exhausted. The central issue under discussion—whether Kosovo was ultimately ruled by Belgrade or Pristina—simply did not lend itself to compromise or splitting of differences.

Russia's position was that no solution was possible without Serbia's consent. Serbia made clear that no proposed solution without Serbian sovereignty over Kosovo would have Belgrade's support.

The people of Kosovo understandably refused to endure perpetual uncertainty about their future political status.

On February 17, they brought closure to this issue themselves by declaring Kosovo to be an independent and sovereign state. In response, the United States and its key European partners coordinated our action and recognized Kosovo's independence, in line with the recommendations of U.N. Special Envoy Ahtisaari.

Since independence, the Kosovars have moved swiftly to implement their Ahtisaari obligations. The Assembly passed in one of its very first sessions nine key Ahtisaari laws on issues including the protection of minorities, diplomatic immunities, police, and local self-government. Additional laws are in various stages of drafting. Kosovo has prepared a draft constitution that we believe is fully consistent with the Ahtisaari Plan and could be approved within weeks. Prime Minister Hashim Thaci and President Fatmir Sejdiu have reaffirmed repeatedly their commitment to all aspects of the Ahtisaari package. Prime Minister Thaci has appointed two ethnic Serbs to his Cabinet. One has been placed in charge of the sensitive portfolio of Labor and Social Welfare. The Government also has pledged repeatedly to develop good neighborly relations with Serbia. The Kosovar leaders have consistently reached out to the Serbian community in Kosovo and to Serbia.

The decision to recognize Kosovo's independence was not taken lightly. But it was the only responsible decision to take. The reality was clear: Kosovo was never going to be ruled by Serbia again. The status quo in Kosovo was unsustainable and undesirable. Although UNMIK, the interim U.N. mission in Kosovo, had done much to help Kosovo recover from war and build democratic institutions, the U.N. administration was never meant to be a permanent or even long-term solution for Kosovo. While in the limbo of U.N. administration, Kosovo has been unable to access loans from international financial institutions, or attract much-needed foreign direct investments. Uncertainty deters investors and businessmen. U.N. rule retarded development of responsible Kosovo institutions. If left unaddressed, Kosovo would have turned into an incubator for frustrations, extremism, and instability, which would then threaten to infect all of southeast Europe.

So the United States and our key European allies—the U.K., France, Germany and Italy—working with EU, made the decision to move forward.

The people of Kosovo have their independence. From this point, they have the responsibility, though with our help, to create a state that meets the standards of the democratic community of nations: We seek a Kosovo that is a functional, multiethnic society with strong, functioning institutions and respect for the rule of law. Kosovo's leaders have made a good start in their declaration of independence. In that critical document, Kosovo undertook serious and comprehensive commitments, including pledges to achieve the highest standards of democracy, including freedom and tolerance and justice for citizens of all ethnic backgrounds. As President Bush said, "These are principles that honor human dignity; they are values America looks for in a friend."

Kosovo also committed in its declaration of independence to implement fully its obligations under the Ahtisaari Plan. We believe this is essential. The Ahtisaari Plan contains broad safeguards for minorities, especially the Serbian community; a plan for the decentralization of government to empower minority communities; constitutional guarantees for all citizens; and the protection and promotion of cultural and religious heritage, particularly that of the Serbian Orthodox Church in Kosovo.

Principles of democracy and multiethnicity must be realized in practice. And we cannot expect Kosovo to achieve what it seeks without support and guidance. We welcome therefore that Kosovo has invited international entities and organizations to supervise its implementation of the Ahtisaari Plan and help Kosovo meet these principles.

With its explicit consent, Kosovo will be "supervised" for a period ahead by an International Civilian Office (ICO). This will primarily be a European undertaking, but with strong U.S. participation. In late February, a newly formed International Steering Group for Kosovo appointed Pieter Feith to be the International Civilian Representative for Kosovo to head the ICO. In this capacity, Mr. Feith will possess certain executive powers to ensure the Ahtisaari Plan is fully implemented.

In addition to mandating rights and protections for ethnic minorities and safeguarding cultural and religious heritage, the Ahtisaari Plan also: (a) Promotes sustainable economic development with attention to property claims, privatization, restitution, and debt management; and (b) requires a security sector that is democratic, professional, and multiethnic. The International Civilian Representative has ultimate authority to supervise implementation of all aspects of the plan. He can void laws and regulations and sanction and remove officials if necessary.

The ICO deputy will be a senior U.S. Foreign Service officer and the U.S. also will second a number of other State Department staff and contractors to the operation. The U.S. will cover 25 percent of ICO operating costs, with the remainder coming from contributions from the EC, and other states.

The EU will deploy a rule-of-law mission, called "EULEX," to Kosovo, with around 1,900 international staff and around 1,100 local staff. This multiyear mission will be the largest such endeavor the EU has ever undertaken. Its mission will include support and training for the Kosovo police and judicial system. The administration

has made a political commitment to participate in this European Security and Defense Policy mission. The EU will bear the brunt of the 190 million euro annual operating cost of the mission as well as additional personnel costs.

NATO, through KFOR, has continued to provide security on the ground. It remains authorized to operate in Kosovo so long as UNSCR 1244 remains in force. We expect that NATO will also play a key role in the establishment of a new Kosovo Security Force and a civilian agency to oversee it. Kosovo is eager to contribute to NATO, the organization that intervened to save the people of Kosovo during their darkest hour.

These three institutions—The ICO, EULEX, and KFOR—will help put Kosovo on the right trajectory: Toward Europe and away from the Balkan cycle of dictatorship, nationalism, and war.

Is Kosovo viable? It may not be a strong country now, but with our assistance, and the support of the IBRD and IMF, Kosovo will be viable. It has massive lignite coal reserves. It has a young, motivated population, yearning to join the European family. GDP and tax revenue this year have exceeded Kosovo's own ministries' expectations as well as the international community's estimates. We need, however, to focus international resources on realizing the economic potential of Kosovo's industrious people.

To do this, the United States will participate in a major donors' conference this summer. Although Europe will contribute the majority of assistance to Kosovo, the United States and other international partners will play a role to lift Kosovo out of the economic stagnation of the last decades.

We anticipate that EU and its Member States will provide roughly 50 percent of the assistance that Kosovo needs over the first 3 to 4 years.

Kosovo will also require support across the board as it establishes institutions capable of good governance. Happily, we know how to help post-Communist countries who chose the path of reform. We have learned since 1989 how to do this reasonably well. Most of the countries of Central Europe that emerged after 1989 from Soviet domination have now graduated successfully from our assistance. Kosovo will be responsible for its own future, but the United States and Europe will be on the ground to help in the way I have described.

I earlier mentioned Serbia, and the role it played in the Kosovo process. I now want to expand on this topic and also speak about Russia.

We have no ill will toward Serbia. On the contrary. Some of us, like myself, served there and speak Serbian. Serbia is a great nation that stood with the United States during two world wars. Serbia could have a great future as part of an undivided Europe. Europe has made clear that it will welcome Serbia following its European trajectory.

Now, Serbia faces a choice: Whether to move toward Europe or self-imposed isolation. Serbia's authorities may not agree with the international community's decision about Kosovo, but they must exercise leadership from this point forward. They must not allow themselves to be caught up in a cycle of incitement and violence, which recalls the previous decade.

Serbia has every right, and indeed every opportunity, to participate through the provisions of the Ahtisaari plan in providing for the welfare of the Serbs in Kosovo. But to exercise those opportunities, it must put aside policies of disruption and destruction.

Serbia can, if it makes wise choices, look forward to the day with Kosovo and Serbia find themselves together within the EU. The EU has been the institution through which seemingly intractable national conflicts in Europe have been resolved, and it can be so for Serbia. It is Serbia's choice.

Let me discuss Russia's role in this matter. Russia's opposition to Kosovo's independence under the Ahtisaari plan is public knowledge. Much less well known is that Russia was part of the contact group and was intimately involved in the Ahtisaari process, including the plan to provide protection for the Serbs in Kosovo and for their cultural sites. Russia's contribution was valuable, and we regret that Russia was unable to support a compromise resolution at the U.N. Security Council last summer.

We must look ahead. I hope that Russia will play a responsible role toward Kosovo, despite its objections to Kosovo's independence. While we have a disagreement with Russia over Kosovo, we surely can agree that violence and instability do not help anyone. Therefore, we urge Russia to explicitly call for calm and responsibility in ways that will be heard unambiguously by Serbia, and by the Serbs in Kosovo and Bosnia-Herzegovina. We hope, in short, to contain our disagreement with Russia over Kosovo and we further hope that Russia will work with us to help bring stability to the region. We will be far better off working with Russia than not.

Last, I want to address the concern some have raised that independence for Kosovo would set a precedent for other conflicts in the world.

In the view of the United States, Kosovo does not constitute any precedent whatsoever. The Kosovo situation includes factors simply not found elsewhere. These include the violent, nonconsensual breakup of Yugoslavia; the ethnic cleansing that accompanied Yugoslavia's collapse; brutal crimes against and the forced expulsion of civilians in Kosovo; the U.N. Security Council's decision in 1999 to remove without doubt any remaining Belgrade governance of Kosovo; the establishment of a U.N. interim administration; and the political process, as envisioned in Resolution 1244, designed to determine final status. Again, these factors are not found elsewhere. Foreign governments which claim to worry about precedent should refrain from speaking as if there is one. Governments and separatists should refrain from hijacking Kosovo for their own ulterior motives and interests. Each conflict in Eurasia will be handled on its own unique conditions, and the United States will continue to work with partners in the region seeking to peacefully resolve these separatist conflicts.

But despite this, the possibility exists that some may chose to exploit developments in Kosovo. In particular, we urge the leaders of Bosnia-Herzegovina to remember that their country's future lies with Europe, and that the only barriers between them and that good future are those they may construct for themselves. While the constitutional structure of Bosnia is complex and needs improving, the United States and our European partners have been clear: We support the improvement of the Dayton arrangements through negotiation and consensus, not ultimatums. And we do not and will not support or tolerate radical calls to abolish the Dayton arrangements or the integrity of Bosnia-Herzegovina. We are prepared to work cooperatively with the leaders of the Bosniak-Croat Federation and Republika Srpska on this basis, and have made that clear.

We have also worked closely with leaders of other nations in the region: Macedonia and Montenegro especially, and believe that Kosovo's independence will not pose a significant problem for them.

The United States and our European allies have done all within our power to bring a sustainable solution to the Kosovo conundrum. We have done so in a way that is legitimate, moral, and advances the highest values of the Euro-Atlantic community. Yugoslavia's collapse, a great tragedy of post-World-War-II Europe, has often presented the United States and Europe with difficult choices. In this complex brew of nationalism, conflict, and mistrust, any course of action—including the decision not to act—brought risks and consequences. In Kosovo, as with other problems, the United States did not have the choice among risk-free options. I can tell you, without equivocation, that the path we took was the right one.

**The CHAIRMAN.** Thank you very much. Mr. Secretary, what I'm going to do is the 7-minute rounds here. And let me begin by asking you a few short questions.

The administration and the European Union have largely staked their policy in the region on the ability of Serbian Democrats to pull their country toward the West. And, however, in terms of Belgrade's progress on benchmark issues, like capture of fugitive war criminals and signing the Stabilization and Association Agreement, to move toward the EU membership the policies—thus far, at least—has not produced the desired results.

There is, as you know, criticism of what some would suggest is Washington and Brussels continuing to "Airbrush the bad behavior of the Serb leaders." Should we be reassessing whether they deserve the support they've been getting, before anymore is offered? Or is it better to just move forward with continuing to provide the kind of support that's been offered?

And I add, as an adjunct to that, staff tells me that Kostunica has—they've just flat rejected the stabilization and association agreement, and that may prompt elections. How does this all factor in?

**Mr. FRIED.** The United States has a strategic interest in Serbia finding its way to Europe. And we have an interest in helping them, but we can do so only to the extent they want this, too. We

see it as our responsibility to open all the doors for Serbia to achieve a European future, but it is Serbia's responsibility both to want to do this and to take the necessary steps. We hope that Serbia does not choose a path of self-isolation. That danger does exist.

There is a vigorous debate about how to handle the issue of Serbia's cooperation with the War Crimes Tribunal, and the apprehension of Ratko Mladic and Radovan Karadzic. Serbia's actions have been more than nothing. They did turn over Milosevic, himself, to The Hague. They have not been fully satisfactory.

But the larger issue, and one we will really have to face in the weeks and months ahead, and for which I don't have an answer, is what will Serbia choose to do? And it seems to me we're best positioned to make clear to the Serbian people that they do have a European future.

The CHAIRMAN. What's your instinct about where the Serbian people are? I could ask this to my colleague as well. What's your instinct about where Kostunica has been? Some of his rhetoric hasn't been very far off of the rhetoric off the very person they've just deposed.

If, in fact, the President got up the courage to actually—that may be a presumptive way to say it—to pull out of the government, his party, and there was an election? I know we're not very good at predicting elections here in the United States, let alone in other countries, but talk to me about the debate you think that would ensue in Serbia?

Mr. FRIED. Predictions are hard to make, and dangerous to make—

The CHAIRMAN. Not about who would run. I just want to know—

Mr. FRIED. I know. It's—

Mr. CHAIRMAN [continuing]. I want the committee to—

Mr. FRIED. I will—no. I'll try to answer this straight, with that caveat.

Boris Tadic just won reelection as President, against an overtly Nationalist opponent. Polling data in Serbia shows that most Serbs do not support Kosovo's independence, but they do not support Serbia's isolation. They support a European future for Kosovo.

Now, with all the caveats necessary, it's clear that there is a constituency in Serbia for a European future. We are not asking the Serbian people to stand up and say they agree with or support Kosovo's independence. We are asking them to support a European future for themselves, and to work with Europe and with us toward that future.

It is possible that, with strong, determined leadership, that potential constituency could be mobilized.

The CHAIRMAN. Last question, because I only have 2 minutes left.

One of the criticisms years ago, when I uttered the blasphemous suggestion that Kosovo should be independent, was that it is not capable of sustaining itself economically.

Talk to the committee about what are the economic prospects for Kosovo, including raw materials that they possess, and why you think, if you think, they have the ability to sustain themselves and have a growing economy.

Mr. FRIED. Kosovo possesses large coal reserves and other minerals, especially in the North. It has a young entrepreneurial-minded population. That said, there have been two things that have prevented Kosovo from moving ahead economically.

One is the absence of clarity on status which has retarded investment in Kosovo. And second, by all accounts, international administration has not been as successful as we had hoped, and the U.N. would acknowledge this.

Kosovo will require international support for some time. We have to help the Kosovars get modern institutions up and running. We have to help them create an investment climate. We have to help them slowly force out corruption, which is going to be a drain on the whole economy. And finally, we have to start thinking of Kosovo on the path to Europe. Their future ultimately is going to lie within Europe, at which point their economic viability will no longer be a question.

So we have short-term challenges, long-term prospects, and we're working hard at tackling some of these economic issues.

The CHAIRMAN. Thank you.

Senator Lugar.

Senator LUGAR. Mr. Secretary, I wanted to pursue the chairman's last question in this way.

In the midst of all the negotiations about the security of Kosovo and its independence, what efforts have been made to develop a business plan? How in the world will Kosovo generate economic growth, quite apart from being able to sustain whatever level of income and economy they now have?

You pointed out correctly the reticence of outside investors to come in while the status was undetermined. But now that it's determined, who are the logical investors? Are European countries that are providing troops—that at least bring some security and physical stability—likewise prepared to make investments? Are people in the United States prepared to make investments in the country? And, if so, in what would they invest?

In other words, what I'm trying to get at is people point out independence has been declared, and we have welcomed that, but at the same time, an independent country really has to be able to sustain itself. And how that is to occur is not apparent.

Likewise, last week Russian Foreign Minister Lavrov said, due to instability, Russia might necessarily need to intervene in Kosovo, even militarily, due to lack of—or failure of NATO to make its mission successful.

He doesn't give any timeframe for when that intervention might come about, or at what stage a judgment is made about the success or lack of success of NATO efforts.

Why, in your judgment, would Foreign Minister Lavrov be commenting on instability at this point, suggesting Russian intervention? Not economic intervention, mind you, or investment, but military intervention to bring about stability?

Can you make an overall comment about the business plan, and likewise, the Russian intent?

Mr. FRIED. The donors' conference scheduled this June is intended to do two things. One is to bring to bear the major potential

sources of support for Kosovo. It is also intended to focus the Kosovo Government on a developmental mindset.

I will be in Kosovo at the end of this week, and one of my messages will be, that having achieved independence, they need to make it a success, and they need to not worry as much about the issue of status, which is resolved, and worry about the success of their independent country. And in that effort, they will have the active support of Europe and the United States.

Now, to answer your business plan question, we know something about post-Communist developments, so I'll say the following.

I see two kinds of investments coming into Kosovo in the short and the medium term. One is from the Kosovo diaspora in Western Europe, which has some money and is already investing in the country, but will do so more now under better conditions. So you'll see a lot of investment from below—gas stations, restaurants, hotels—but that's where it starts. We know from post-Communist economic experience, that's not where it ends.

The better entrepreneurs start small. They don't end small. So they get into manufacturing. We've seen this before. And the ability of this bottomup investment to make a difference depends on whether institutions work, whether there's an honest, decent banking system.

The second is investment from above, and there I think you're going to see some multinationals interested in the energy-generating sector, because Kosovo could make a fair amount of money exporting electricity. It's coal. There are environmental issues and anybody who has been in Pristina in the winter knows how, you know, what coal smoke does.

So there are a lot of issues, and this will require investment. But we're looking at the possibilities, and not just the problems.

On Russia, well, I cannot imagine that outside military intervention by Russia would be a stabilizing factor, but you'd have to ask Minister Lavrov what he meant. If Russia is concerned about stability in Kosovo, they could play a very helpful role by urging Serbia not to engage in provocations in the North.

There is an irony, of course. Russia has denounced the Ahtisaari Plan. It is not as well known that Russian diplomats played a very constructive role in helping put together some of its best provisions to protect the Serbs. They ought to take pride in some of their handiwork, but again, that's a question for them.

We have to be clear, no evidence that Russia is actually contemplating military intervention, given the fact that NATO has 15,000 troops on the grounds, including near or at the borders in all parts of Kosovo. I find that unlikely.

Senator LUGAR. In the past month, Russia now has made an agreement—or Gazprom, specifically has—to provide natural gas to Serbia and, as I read the accounts, taking control of 50 percent of the energy pipelines in Serbia. What is the energy source? You've mentioned coal in Kosovo, but to what extent are Kosovars vulnerable to energy cutoffs? And how does the new agreement with Gazprom in Serbia affect that?

Mr. FRIED. We actually studied this in the runup to the declaration of independence. Kosovo has indigenous sources of energy. It has some generating power, both coal-fired and hydro. It can de-

velop more. It also has potential sources of electricity from some of its neighbors, like Macedonia.

It is not as easy as it might appear, for Serbia to simply turn off the electricity. After all, the Kosovo Serbs would also suffer. The Kosovo economy does have vulnerabilities, but it also has a certain tough resilience. These people are used to living under very, very difficult conditions. There is a great deal of work to be done. And in the months and even years ahead, we will have to be involved in helping them.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Thank you very much.

Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman. Secretary Fried, thank you very much for your testimony and for keeping us informed as to what's happening in Kosovo.

Ten days ago, I was in Europe, attending the OSCE Parliamentary Assembly, and Kosovo was our main subject. I support the U.S. decision, but I must tell you I think we need to do a better job in explaining our reasoning for our support of Kosovo's independence, and its background.

I'll start first with a point that you just mentioned, and that is our support for the Ahtisaari Plan. It's not just the independence of Kosovo, it's also under very unusual conditions, strong support for the rights of the minority communities and a supervised independence, including, I hope, the continuation of the OSCE mission in Kosovo.

So I just really want to give you a moment just to point out that our support for independence of Kosovo is truly unique, as it relates to the protection of minority communities. And you mentioned the Russian diplomats had a major role to make sure that the municipalities that are majority Serb are controlled by the Serbs, that decisions affecting minority communities can only be made with the effective consent of the minority communities. That there's unusual support for protection of all the people of Kosovo.

Mr. FRIED. Senator, you accurately described many of the Ahtisaari Plan provisions. It was an extremely forward-leaning document. It provides what, to my knowledge, are the most extensive protections for a minority community in Europe, perhaps in the world. And most astonishingly, it was accepted in full by the Kosovo authorities, and they are busy implementing it. They are passing laws, and they have said that this is one of their highest priorities.

So it is ironic that Serbia has ignored these provisions, and doesn't seem to be taking actions to exercise its own rights under the Ahtisaari Plan. But we shall see what happens in the future.

With respect to European opinion, this has been hard for many European countries, especially for those who have had in the past separatist issues of their own. In our view, Kosovo is not a precedent.

Senator CARDIN. And on that point, I think we need to do a better job in pointing that out internationally. That's another area in which I agree with your assessment, but I think we could do a better job in making it clear that this is not a precedent for any other area in the world.

Kosovo is truly unique in its history, and the NATO mission, the U.N. administration, the process it went through, and the Ahtisaari Plan. There's so many unique aspects to Kosovo, such as the ethnic cleansing and the tragedies to a large part of the population.

And I think that we need to make sure that we emphasize that to counter the arguments of countries that are looking at this—not because they're concerned about precedence—but because they just don't support Kosovo's independence.

Mr. FRIED. I agree with you. I look forward to making those points.

Senator CARDIN. Let me mention one other issue of major concern to me, and that is the impact—this is in your written statement—on Bosnia. We've invested so much in Bosnia. I know that we support the integration of Bosnia into Europe.

I am concerned that as we look at Serbia and making a priority Serbia's integration into Europe. Knowing full well that Serbia has yet to cooperate with the War Crimes Tribunal in the manner that we expect, and knowing that the history of Bosnia, particularly the Muslim population, the concern that they could be once more abandoned by Europe as we move forward in this process.

I would just like us to make sure this is a major part of our strategy in Kosovo, that we don't lose sight of Bosnia and its integration into Europe.

Mr. FRIED. Senator, I've been in Bosnia a couple of times over the past years. You are certainly right that we can't lose sight of Bosnia's future integration in Europe, nor of the internal political strains between the two constituent elements, the Republika Srpska and the Croat-Bosniak Federation.

We have made clear to all of the leaders of Bosnia, all of the constituent communities, that we want to see Bosnia realize a European future for itself, and it can do so only if it improves its institutions and doesn't overturn them. There are voices in Bosnia, on both sides, who speak radically of overturning Dayton.

We don't support that. We support Bosnia moving ahead, improving its governance, and joining Europe. But you're right to point out that Bosnia requires our attention. Before Kosovo independence, we were in contact with Bosnian leaders so they, of all communities, could make sure they understood what was happening. We'll have to continue to work with them.

Senator CARDIN. And I agree with what you said. I think we have to be very strong in making sure that Bosnia's reform commitments are adhered to, carried out, and advanced. They still have a way to go, and we need to make sure that that continues.

My concern is that I find Europe holds a different standard for Muslim majority countries than it does for others. And it concerns me that we aren't more vocal in making it clear that the same standards are applied, and that countries should not be given a priority or held back because of its ethnic population.

Mr. FRIED. I agree with that entirely, and we have—we happily have a number of countries in the Balkans with large Muslim populations. I was with President Bush in Albania last summer, and I can attest to the overwhelming pro-American sentiment in that country, which has looked at us as a friend since Woodrow Wilson.

The Kosovar-Albanian community looks at the United States as having kept its word throughout both the previous administration and this one. These are countries that are extraordinarily infertile ground for extremism to penetrate.

Senator CARDIN. Thank you. Mr. Chairman, I would ask that my entire statement be made part of the record. Thank you, Mr. Chairman.

[The prepared statement of Senator Cardin follows:]

PREPARED STATEMENT OF SENATOR BENJAMIN L. CARDIN,  
U.S. SENATOR FROM MARYLAND

Slightly more than one week ago, I was in Vienna for a meeting of the OSCE Parliamentary Assembly. Kosovo was a topic for the debate which took place the day after the protesters in Belgrade attacked the U.S. Embassy. I essentially supported the U.S. position on Kosovo's declaration of independence and international recognition. The U.S. delegation, which included four House Members in addition to myself, sought to engage our Serbian counterparts, but they declined an opportunity to exchange views bilaterally. I did discuss the issue with the Russian head of delegation.

I would like to raise three points on Kosovo from my perspective as Co-Chairman of the Helsinki Commission. First, I do not support Kosovo's independence alone and in isolation. I support the Ahtisaari plan, which includes supervised independence but also extends a great number of rights and benefits to the Serb and other minority communities. It's a package deal, and we need to make sure the Kosovo authorities and people understand the need for comprehensive and full implementation of the plan.

We need to make sure the OSCE Mission, which has engaged in incredible outreach to the isolated, minority communities across Kosovo, stays in place. And we need to be sure that implementation is not just a brokered deal between the Albanians as the majority and the Serbs as the largest, most influential minority population.

The Roma in particular, but also the other minority groups, must be included and integrated in Kosovo, and the Helsinki Commission intends to make this the priority for its future work.

Second, I support efforts to engage Serbia and keep it on a European track, but frankly my concerns about Bosnia are far greater right now. The United States and Europe have invested much in that country, which was Milosevic's single greatest victim, yet it appears to be last in line for European integration.

We can criticize the country's politicians in part, but a European effort to fast track Serbia and not Bosnia is a serious mistake. Especially important is the need to hold Belgrade to account for war crimes cooperation as long as Ratko Mladic (ROT-ko MLOD-itc) and Radovan Karadzic (ROD-o-von KA-rod-zitch), who are responsible for genocide in Bosnia, remain at large. Otherwise, Bosnian Serbs will look to Serbia for their access to Europe, just as Bosnian Croats have largely done regarding Croatia. At the same time, Bosnia's Muslim population will feel itself abandoned by Europe, again, delaying their own ability to move forward and perhaps becoming more vulnerable to dangerous, outside influence.

Finally, there is the issue of precedence. In Vienna, I noted that Kosovo once had all the autonomy Serbia seems willing to promise it now, but it was unilaterally revoked by Belgrade and replaced with years of very brutal repression by Serbia. The international community may not have been able to agree on the outcome of recent status deliberations, but it did agree in a 1999 UN Security Council resolution that the status of Kosovo needed to be reconsidered. This has not been the case for other regions claiming Kosovo to be serving as a precedent.

Frankly, we do not do a very good job in defining the differences between the case for Kosovo and those for other breakaway regions, based on fair, objective reasoning on the right to self-determination. We need to do better.

Our arguments are unlikely to change the minds of the people in these regions, but we need to convince our friends and allies when coordinating a response. All too often the response among NATO and EU countries has been based on their own historical affinities or internal situations, and we need to find some common ground.

I look forward to hearing Assistant Secretary Fried and the other witnesses talk about these and other issues relating to Kosovo and the Balkans.

Senator VOINOVICH. Ambassador, we have talked in the past about the commitment that Europe and the United States have made to the U.N. mission in Kosovo. First, I'd like you to comment on the status of the UNMIK personnel in Kosovo.

It's my understanding that they are going to be withdrawn. Senator Cardin indicated that the OSCE is involved, which I think has more people in Kosovo than any other place in the world—I think over 1,000 people. And it's my understanding that, because of Russia, that the OSCE is going to terminate that commitment to Kosovo.

I'd like to know what's being done to replace the mission staff in Kosovo when OSCE withdraws.

Second, I'd like you to comment on the EU commitment to the Ahtisaari Plan. Who's really going to take the leadership? It's my understanding, at least from the grapevine, that the EU's foreign policy representative Javier Solana is not that enthusiastic and wants somebody else to do it. The International Civilian Office and the International Steering Group are both involved with overseeing the settlement proposal, and the Ahtisaari Plan calls for a progress report after 2 years.

I think most people would agree that UNMIK's involvement in Kosovo has been uneven, to say it in the most complimentary way possible, in terms of the participation of European leaders in the region.

I have called on the floor of the United States Senate for one UNMIK leader's resignation because of the terrible job he was doing. It seems sometimes that people are sent there as a sinecure.

Finally, how serious are the Europeans in their commitment to guarantee that the Ahtisaari Plan is enacted?

Mr. FRIED. I think the Europeans are now very serious. I think they realize that Kosovo is going to be principally a European responsibility, though also with the United States.

There are almost 16,000 NATO troops in Kosovo; 90 percent of them are European. All of the NATO allies—except Iceland, that doesn't have a military—are present. You are correct that UNMIK will be drawing down, but it will not leave Kosovo entirely. It will remain there.

The EU mission is ramping up. It will have about 2,000 people there. The United States will support that mission. We're sending about 80 police, and some prosecutors, some judges, but most of the personnel—the overwhelming majority of the personnel will be European.

Pieter Feith, a Dutch diplomat, will be "double-hatted." He will be the head of the ICO, the International Civilian Office, with a mandate to oversee the Ahtisaari Plan. He will be double-hatted as the head of the EU mission. The European Union has pledged several hundred million dollars of assistance for Kosovo, so they're putting a reasonable amount of money in this.

I anticipate the United States will fund about 25 percent of the ICO costs, and the Congress has appropriated, oh, about—now, about \$350 million of assistance for Kosovo. Europe, quite a bit more, as I've said.

I'm happy to report that although we had feared the OSCE would be forced out of Kosovo, that's no longer certain. I'd expected

the Russians might veto it, but now the mission has been extended for some time. We will see how this develops.

However, Senator, to answer your question, if the OSCE is forced out, we believe that the European Union will pick up many of the most crucial—the crucial functions, because the OSCE has done some good work.

Senator VOINOVICH. And at the same time, we'd pick up 25 percent of the cost.

Mr. FRIED. Well, the United States is going to pay a minority of the costs, you know, no matter where the mission is located. The Europeans will, as I said, pick up about three-quarters of it.

Senator VOINOVICH. Well, I remember after the war was over that we created a Stability Pact.

Mr. FRIED. Uh-huh.

Senator VOINOVICH. There were significant promises made by the Europeans to fund various projects in the region. And I'll never forget visiting Brussels—and I won't mention the name of the individual that I talked with, but he said to me, "Well, we said that but we really weren't sincere about it."

The question I have is are the Europeans going to come up with the money and the commitment needed to get the job done in Kosovo?

Looking back at past instances, the EU has not been forthcoming. They talk a good game, but their actions don't speak as loud as their words.

Mr. FRIED. I think the Europeans understand that if—that Kosovo's success will be a European success, and if Kosovo is a generator of problems, Europe will suffer disproportionately. So, on that basis, I have confidence that Europe will invest in Kosovo.

Now, that being said, "trust but verify," and we will keep at this—working with our European friends.

Senator VOINOVICH. From my perspective, I don't want to wait for 2 years to find out if things are going the right way.

And I would respectfully ask you to periodically report back to me and, frankly, the members of this committee on whether the Europeans are doing what they say they're going to do, and whether or not the Kosovar Government is doing what it has promised to do. I know from past experiences that one way or another we're going to be getting anecdotal reports out of Kosovo by various groups here in the United States.

We need to make sure that we know the facts on the situation there in Kosovo, rather than letting rumors circulate on what is supposedly going on.

Mr. FRIED. Senator, I look forward to working with you, with this committee, and other members to do exactly what you said, to give periodic briefings at your request about the situation, both with respect to the performance of the Kosovo Government, our work with our European allies, and how the Serbian community is faring, also, how they are behaving, especially in the North, because this—Serbia's actions may continue to be a problem. But I look forward to working with you.

We cannot simply assume that Kosovo is on autopilot, and walk away. This is going to take high-level, sustained attention through the end of this administration and into the next.

The CHAIRMAN. Thank you very much.

Senator Boxer.

Senator BOXER. Thanks, Mr. Chairman.

Well, I certainly agree with your comments. And I support this independence, as I think most of us do, if not all of us—but I wanted to note that since this occurred without explicit U.N. Security Council approval, the opponents are saying it's not legal.

As such, do you believe it's important that Kosovo's independence be recognized by a large number of countries? On February 27, the Serbian Foreign Minister wrote in the New York Times that, "the number of countries that will recognize an independent Kosovo will plateau at around 40, leaving it unrecognized by a vast majority of the close to 200 members of the United Nations."

Now, I understand that less than two dozen countries have recognized Kosovo's independence, thus far. Do you have a prediction of how many countries will, in fact, recognize an independent Kosovo? And do you think this is a very important indicator as to the future?

Mr. FRIED. We have now, I believe, 22 countries that have recognized Kosovo. Most—two-thirds of the European Union countries have already recognized, including most of the larger ones. I think countries outside of Europe have looked to Europe to take the lead on recognition, which is actually appropriate. I think other recognitions will come in.

The fact is, it would have been preferable to have this done through the Security Council, which is why we tried last summer, through repeated comprise resolutions, and it became very clear that Russia would exercise its veto, so we had to proceed. But, for the record, it's quite clear that Security Council action would have been the best way forward.

It was a hard decision for the Europeans to move ahead. But they, like we, faced—had to face a reality that the status quo was not sustainable, return to the past was impossible, we had to move forward, and we did so with our European allies.

Senator BOXER. Right, right. I think you're missing my question. I support that.

I'm asking, Do you have a prediction of how many countries will, in fact, recognize an independent Kosovo? And do you think that number is important going forward?

Mr. FRIED. I think that, to be plain, I think the most crucial number is how many European countries in the first place, is how many European countries recognize. And there, we have the vast majority. We will have—we're still getting more.

Countries outside of Europe? Very good to have. We're working on that diplomatically. We have a number of recognitions outside of Europe, but it is less crucial. These will come in time.

I don't care about a specific number. You know, the arguments of Foreign Minister Jeremic notwithstanding, there are very few people who believe that—in fact, no one, outside of Serbs and Russians, who believe that Kosovo could ever be ruled by Belgrade again.

Senator BOXER. OK. Well, I think that's a good answer. So your answer is, basically, the regional support is what's really key in Europe. That's key, as opposed to the number of countries. OK.

Now, I think this is where Senator Voinovich was going with his question. In your opening statement, you state that the EU and its Member States will provide roughly 50 percent of the assistance that Kosovo needs over the first 3 to 4 years.

How much funding will the EU and its Member States need to pledge—if you could—in dollars, in order to meet the 50-percent goal?

Mr. FRIED. Well, we needed kind of a rough benchmark figure to go on. I mean, these are crude estimates, so forgive me.

Senator BOXER. Yeah. Sure.

Mr. FRIED. But sort of a benchmark of \$2 billion over the first few years felt about right. You know, again, that is a soft number. We're—

Senator BOXER. OK.

Mr. FRIED. The World Bank, the IMF, the European Union, and some from the United States are a good basis to begin. And also, as I said, we've gotten a lot—

Senator BOXER. So \$2 billion total?

Mr. FRIED. Yeah. Up—

Senator BOXER. And half of that would come from the Europeans?

Mr. FRIED. The Europeans, the World Bank, the United States, that's about right.

Senator BOXER. Well, wait. You said 50 percent from Europe, and now you're saying \$2 billion. So 50 percent would be \$1 billion from Europe. And then, the others would be the other remaining 50.

Mr. FRIED. I think that's right.

Senator BOXER. OK.

Mr. FRIED. And—

Senator BOXER. OK.

Mr. FRIED. I have to be careful about the numbers, because the Europeans, like we, have to go through a budgetary process.

Senator BOXER. I understand. We're just—I'm just trying to get—

Mr. FRIED. No. That's the order of magnitude that's pretty fair.

Senator BOXER. OK. I want to pick up on another issue. I believe, Senator Biden, before I got here, was talking about the split between President Tadic and the Prime Minister.

Mr. FRIED. Kostunica. Yes.

Senator BOXER. Yes. And what Tadic said—I don't know if this was out here, "We're all angry, depressed, and humiliated because of Kosovo, but we have no right to put these feelings above the interest of the people." Great statement.

And the administration said that, "The U.S. will work with Tadic and the Serbian people to see Serbia firmly set on a path to prosperity, enjoying a market-oriented economy, and guided by the Rule of Law."

Now, can you explain in greater detail how the United States will work with the President there, and what happens with this split? How serious is this split? I mean, just to take it to our own shores here, because normally—with exceptions, and unfortunately we've had too many now—we've always had a foreign policy that was pretty much agreed to by the Congress and the President.

But this seems to me to be serious, but I don't know enough about what's going on and if this is just the Prime Minister playing politics or what.

Can you give us an assessment of how we work with Tadic and avoid the Prime Minister to make this happen?

Mr. FRIED. You have put your finger on the major challenge.

How do we help Serbia realize its European future when so many political forces there seem intent on self-isolation of the country? And to be clear, President Tadic firmly and consistently has opposed Kosovo's independence.

Senator BOXER. Yes.

Mr. FRIED. He also has been a proponent of Kosovo's integration into Europe despite—of Serbia's integration into Europe, despite Kosovo's independence. Kostunica seems to have a different view.

Senator BOXER. Uh-huh.

Mr. FRIED. And he seems—I think policy of self-isolation is, unfortunately, an accurate way to describe what he is doing. The Serbs will have to sort this out. We can't reach inside Serbian politics and figure it out.

What I said earlier was that there is a latent, but very large, constituency for a European future for Serbia within the Serbian population. And it will take leadership to mobilize that constituency, and we look forward to working with the leaders who can do it.

Senator BOXER. So we won't work—we're not going to work with the leaders who won't do it, and we have to finesse this—

Mr. FRIED. Well, they don't want to work with us.

Senator BOXER. Well, right. I just—I'm still—I don't know enough about it to really get a sense of whether this a huge issue among the populace? Is there a split—the split that's reflected between the two leaders, is it reflected in the populace?

Or is this just something that people are talking about, but they don't really feel that strongly about?

Mr. FRIED. Serbs feel very strongly that Kosovo should not be independent. But after that, you get a split. Many Serbs don't believe Kosovo is—should be independent, but they want to get on with life, to put it that way. They want to go to Europe. There is a hardcore—a hard radical core that wants to be destructive.

Senator BOXER. Uh-huh.

Mr. FRIED. "If we can't have Kosovo, we'll take down the temple. We'll smash up everything we can." My words, not theirs, but you saw the rioting.

Senator BOXER. OK. I see.

Mr. FRIED. And so, the trick is to—not the trick—the challenge is to reach out to Serbs and say, "Look, we don't expect you to embrace Kosovo independence, but that's not the choice you face. The choice you face is whether, having lost Kosovo in 1999" which is when they really lost it—they will embrace a European future for themselves, or they will simply sit where they are.

Senator BOXER. Uh-huh.

Mr. FRIED. That's the way we have to frame this up.

Senator BOXER. Thank you very much. Appreciate it. Thank you, Mr. Chairman.

Senator CARDIN. Mr. Chairman, can I just make one just brief comment in response to Senator Voinovich's point about if the OSCE mission is not allowed to continue, that NATO will pick up the slack? I'd—European Union would pick up some. The European Union.

Mr. FRIED. The European Union.

Senator CARDIN. The European Union will pick up slack. Excuse me. I just really want to add a caveat to that.

I think OSCE is uniquely positioned to help protect the human rights of the different communities, and has credibility that I'm not sure the European Union would be able or has the interest in following up or not. And I just really wanted to underscore Senator Voinovich's point about monitoring the respect for minority rights within Kosovo, that if OSCE is not permitted to continue, I think our challenges are going to be greater.

Mr. FRIED. You're right that OSCE has a body of knowledge and expertise. We're better off with OSCE on the ground. If we have to choose a second-best, we can pick up some of that expertise. There would be a loss, so we'd prefer OSCE to remain, performing its mission. They're good at it.

The CHAIRMAN. Thank you very much. Thank you, Mr. Secretary. I appreciate your time and testimony.

Mr. FRIED. Mr. Chairman, members, thank you very much for the opportunity.

The CHAIRMAN. Next, we have a distinguished panel, and I hope I pronounce the names correctly. If I do not, you can call me Chairman Biden.

Mr. Bugajski, Director of the New European Democracies Project, the Senior Fellow of European Programs at the Center for Strategic and International Studies. We'll welcome him.

Mr. Daniel P. Serwer, vice president at the Center for Post-Conflict Peace and Stability Operations and the Centers of Innovation at the United States Institute of Peace.

And, Mr. Vejvoda. He's the executive director of the Balkan Trust for Democracy, in Washington, DC.

We thank you, gentlemen. We look forward to hearing your testimony. Why don't you proceed in the order in which you were recognized?

**STATEMENT OF JANUSZ BUGAJSKI, DIRECTOR, NEW EUROPEAN DEMOCRACIES PROJECT, SENIOR FELLOW, EUROPE PROGRAM CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, WASHINGTON, DC**

Mr. BUGAJSKI. Good morning. Thank you, Mr. Chairman, distinguished Senators. It's always a pleasure and an honor to be here.

I'll try and keep my comments as brief as possible. I will refer directly to the four questions that were posed.

The first question: What will be required for Kosovo to develop into a functional, multiethnic society with strong institutions and respect for the rule of law?

I would say that the first step has already been accomplished, and that's removing the ambiguity of the status quo, establishing Kosovo's statehood, and launching the process of international recognition, which now stands at 23, but is growing each day.

The priorities of the new administration in Pristina must include the full implementation of the Ahtisaari package, focused particularly on decentralization, the rule of law, and assurance of minority rights.

Second, launching an effective anticorruption program, with full transparency in government operations. I think that's essential in Kosovo.

Third, comprehensive judicial reform, and of course, that's a long-term process and even NATO and EU members are having some difficulties with; nevertheless, that process has to be launched.

And, last but not least, the passage of laws to encourage foreign investment. And I think Pristina here needs to work very closely with the EU's International Civilian Representative, as well as with EULEX, the EU mission, working closely with police officers, judges, prosecutors, customs officials, and so forth.

However, I would say that supervised independence must avoid heavy-handed interference that, as we saw in the previous UNMIK administration, creates confusion and paralysis in government decisionmaking. EULEX must avoid turning the new mission into a replica of UNMIK, in which the foreign presence undercuts political responsibility and self-sustaining economic development. Dependency relationships—and we've seen this in Bosnia—do not encourage sovereignty development, economic prosperity, and investment.

A longer term priority for Pristina is to gain an EU-SAA state—a Stabilization Association Agreement, similar to most of the other West Balkan States. And with regard to the question of economic viability—it's not a reflection of size, or even location, but of Kosovo finding its niche.

And this is a consequence of the rule of law, entrepreneurship, encouraging investment, and innovation. And the young population in Kosovo is a positive factor. Many of them have worked abroad. They're very adaptable and mobile. Kosovo does not have too many old Communist industries that have to be restructured; modernization will involve training a new population for the new globalized economy.

The role of the ICR should also focus on integrating all minority groups, particularly the Serbian population, which suffers now from a sense of loss and the lack of unified leadership, and pressure from Belgrade.

I do fear that the Serbian communities in northern Kosovo may increasingly support separation or a parallel structure controlled by Belgrade. And here the Government of Pristina has to be restrained. Up until now, they've been extremely well-behaved and have not overreacted.

NATO and the EU Mission has to make sure that northern Kosovo is also part of an independent Kosovo, that it's not separated, that it does not become an unstable enclave within Kosovo.

Second question: How to improve prospects for Serbia in its Euroatlantic integration? I think Dan is going to address this quite comprehensively.

I would just say that it's going to take time for Belgrade to regain its European Union focus and accept the new realities in

Kosovo. We have to show a certain patience. At this point, I don't think there's anything specifically that can be offered to Belgrade, in terms of EU cooperation, as the Kostunica administration claimed that this legitimizes the EULEX mission, and even legitimizes the loss of Kosovo.

But we must continue to urge dialog with Serbia to prevent the country's isolation and its exploitation by a resurgent Russia. Re-engagement is unlikely to be rapid, given divisions in the Serbian Government. We may indeed have to wait for the new elections. It's going to take awhile, I think, for those lingering nationalist resentments to be dispelled in Belgrade.

I do think, though, NATO enlargement at the April summit in Bucharest, and the inclusion of Albania, Croatia, and Macedonia, will demonstrate to progressive forces in Serbia that NATO is serious in expanding throughout the region. And second, that it's beneficial to each of the new members.

I think Serbia can then monitor the progress of its nearby neighbors. And Montenegro also, I believe, should receive a membership action plan very soon. This will also encourage reform in Serbia.

Let me just add one important means for reaching the Serbian and Albanian publics that should not be neglected. And this is the media. And unfortunately, while the Serbian media, the independent media, is under pressure, there is talk now of closing Radio Free Europe Broadcasting. I think this would be a mistake.

I think the South Slavic and Albanian-language programming should be continued. This is essential, as one of the most important avenues for objective information in the Balkans.

Third question: How to manage the implications of independence in other areas?

I think the stabilization of the rest of the Western Balkans is manageable. However, NATO, European Union, and the United States have to work in tandem in each of the neighboring countries—Bosnia, Macedonia, Montenegro. NATO entry would help this process, would help stabilize the region, particularly if the Adriatic Three enter NATO.

Also, the commitments of the international community to the integrity of Bosnia has been reaffirmed in recent days, with the extension of the mandates of the higher representatives. That's a very important step.

With regard to Macedonia and Montenegro, border treaties need to be signed as soon as possible between Pristina and those two countries, to make sure there is no lingering fear of pan-Albanianism in the region.

My last question, as I've run out of time, the last question was: How to manage relations with Russia?

And that's really a subject for another hearing, of course. But let me add my few thoughts about this. Although Moscow does exploit Kosovo as a pawn in its strategic struggle with the United States, it is unlikely to provoke a major confrontation with the West.

Recognition of Kosovo's independence serves the Kremlin's aims because it can raise its international stature by claiming that it is the defender of international legitimacy, whereas the United States and the European Union are unilateralist powers seeking to break up states. This has been Moscow's public relations propaganda

drive all along, and I think it's been intensified since Kosovo's independence and recognition.

Kosovo enables Russia to elevate its international position to interpose in Balkan affairs, where it had very little leverage just a few years ago; to promote splits within the European Union, not only in Kosovo, but over numerous issues; to try and gain veto powers over Europe's enlargement in the Balkans; and to construct, in the longer term, what they would call a Eurasian Pole of Power, as a counterbalance to the United States.

And for the Kremlin, the birth of new democracies is the problem, because this is a long-term threat to Russia's interests, Russia's strategic designs. Independent democratic governments invariably seek membership in NATO and the European Union. They want close relationships with the United States, in order to consolidate the reform process, and to provide permanent security. This is a threat to Russian national expansionist interests.

I will stop there, simply by saying the best way to deal with Russia is not to retreat, but to develop a united and resolute strategy between the European Union and the United States, particularly on issues that are central to allied interests, such as security, stability, democracy, and international integration in Southeast Europe.

Moscow exploits weakness and division but ultimately it respects strength and resilience.

Thank you.

[The prepared statement of Mr. Bugajski follows:]

PREPARED STATEMENT OF JANUSZ BUGAJSKI, DIRECTOR, NEW EUROPEAN DEMOCRACIES PROJECT, SENIOR FELLOW, EUROPE PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, WASHINGTON DC

I will briefly address the four questions posed concerning the strategic challenges facing the United States and Europe in the aftermath of Kosova's independence.

- *What will be required for Kosova to develop into a functional, multiethnic society with strong institutions and respect for the rule of law?*

The first step has already been taken by removing the ambiguity of the status quo, establishing Kosova's statehood, and launching the process of international recognition. The priorities for the new administration in Pristina over the next year must include: The implementation of the Ahtisaari package focused on decentralization and the assurance of minority rights; launching an anticorruption program with full transparency in government operations; comprehensive judicial reform; and the passage of laws to encourage foreign investment. Pristina needs to work closely with the EU's International Civilian Representative (ICR) and with the EULEX mission of police officers, judges, prosecutors, and customs officials.

The EU needs to take responsibility for the provision of targeted economic and technical assistance. However, supervised independence, involving protective security and the EU rule-of-law mission, must avoid heavy-handed interference that creates confusion and paralysis in government decisionmaking. EULEX must avoid turning the new mission into a replica of UNMIK in which the foreign presence undercuts political responsibility and self-sustaining economic development. EULEX must be a short-term operation with specific objectives and not an indefinite presence or a substitute for sovereignty. Relationships of dependence do not encourage development and international integration.

There is a danger that politicians and public alike may see the EU as a benefactor and the EU mission as a dispenser of assistance that brings with it the promise of Union membership. Kosova must wean itself off foreign aid and establish a productive economy and develop its infrastructure to enhance regional cooperation and eventual European integration. A longer term priority for Pristina is to gain an EU Stabilization and Association Agreement (SAA), similarly to other West Balkan States. Economic viability is not a reflection of size or location, but a consequence

of entrepreneurship, the rule of law, innovation, and efficient government. Kosova needs to attract investors now that its status is settled. Hence, it must introduce clarity in property rights, transparency in legal contracts, and incentives for foreign capital.

The role of the ICR should also focus on integrating all minority groups, including the Serbian population, into Kosova's body politic. A multiethnic society needs to be cultivated among all communities in which minorities can benefit from incentives to remain in Kosova. However, given the sense of loss, the lack of a united Serbian political leadership, and the incessant pressure from Belgrade, Serbian communities in the north may support separation while those in the rest of Kosova may seek to move northward. Over the coming weeks, the Kostunica government could pursue the partition and annexation of Kosova's northern municipalities by reinforcing parallel political structures on the territory. Some officials in Belgrade may calculate that such a scenario could precipitate more tangible Russian assistance. Pristina must not react to such provocations but allow NATO and the EU mission to maintain Kosova's territorial integrity. Partition is the policy of last resort for Belgrade as it would indicate that the government is resigned to Kosova's independence. However, Belgrade cannot bank on a consistent and supportive Russian role as Serbia is only one piece on a much bigger chessboard for the Kremlin.

- *How to improve prospects for Serbia's Euro-Atlantic integration?*

It will take time for Belgrade to regain its EU focus and accept the new realities in Kosova. Russia's regime has complicated matters by emboldening the Serbian Government to resist decisions by an increasing number of states to recognize Kosova. In reality, both sides are exploiting each other: Russia is regaining a foothold in the Balkans through Serbia, while Serbia is leveraging Moscow to oppose Kosova's independence.

At present there is nothing sufficient that can be offered to Belgrade in terms of EU cooperation as the Kostunica administration claims that this would acknowledge the legitimacy of the EULEX mission and even the loss of Kosova. Belgrade has withdrawn its ambassadors from Washington and several EU capitals that have recognized Kosova although it has not severed diplomatic relations. The U.S. and the EU must continue to urge dialog with Serbia to prevent the country's isolation. Re-engagement is unlikely to be rapid, given the divisions in the Serbian Government and the unwillingness of senior politicians to discard lingering national resentments and negative Russian influences.

NATO enlargement at the April 2008 summit in Bucharest and the inclusion of Croatia, Albania, and Macedonia would help demonstrate to progressive forces in Serbia that a cooperative relationship with the alliance promotes modernization and provides a stimulus toward future EU entry. With NATO's further enlargement, Serbia will be enveloped by the alliance and can carefully monitor how its neighbors benefit from inclusion.

One important means for reaching the Serbian and Albanian publics in the Balkans at a time of uncertainty and potential instability is a free media. Unfortunately, while the independent media in Serbia is experiencing increasing pressure with more frequent attacks on journalists, the Radio Free Europe/Radio Liberty Broadcasting Board of Governors has proposed the closure of its South Slavic and Albanian language programming over the coming year. This is a premature and short-sighted approach as the western Balkans have still to achieve a sufficient level of stability, in the absence of a fully protected free media in Serbia, which would warrant the closure of one of the most important vehicles for objective reporting.

- *How to manage the implications of Kosova's independence in other areas of South East Europe, particularly in Bosnia's Serb Republic?*

The recognition of Kosova's statehood will generate some regional tensions that require competent handling by the trans-Atlantic powers. The stabilization of the western Balkans is manageable if NATO, the EU, and the U.S. work in tandem to prevent Belgrade and Moscow from exploiting latent tensions and militant expectations in Bosnia-Herzegovina, Macedonia, and Montenegro. Belgrade no longer possesses the capabilities or intentions to export armed conflict to neighboring states, but a display of diplomatic and military resolve may be necessary by NATO and the EU to convince local actors that the West is serious about stability. Closer cooperation with the governments in Sarajevo, Skopje, and Podgorica will enable Washington and Brussels to contribute to their security requirements.

NATO entry for Albania, Croatia, and Macedonia will contribute to consolidating regional security. Inclusion will prevent these countries from feeling isolated and vulnerable to any negative effects stemming from Kosova's statehood or Serbia's reaction. Their accession would mean that almost the entire Balkan Peninsula is ei-

ther within NATO or moving in that direction. Montenegro, which is committed to trans-Atlanticism, must also become a credible candidate in the near future and receive a Membership Action Plan (MAP), while Bosnia-Herzegovina and Kosova will remain under EU and NATO supervision for several years.

The commitment of international players to the integrity of Bosnia-Herzegovina was recently reaffirmed with the extension of the mandate of the High Representative to oversee judicial, economic, and security sector reforms. Bosnia is also on the verge of receiving an EU Stabilization and Association Agreement (SAA) once the country's two entities implement reforms to unify their police forces. The U.S. and the EU may also need to restrain Sarajevo's reaction to potential provocations by militants in Bosnia's Serb Republic, while periodic demonstrations of EU resolve may be necessary to discourage partitioners. With regard to Macedonia and Montenegro, border treaties with Kosova will be essential to build confidence and remove any lingering fears of pan-Albanianism. The new NATO members can also work more effectively with Kosova to combat cross-border criminal and militia networks and promote free trade and other forms of economic cooperation.

- *How to manage relations with Russia in the aftermath of Kosovo's independence?*

Although Moscow exploits Kosova as a pawn in its strategic struggle with U.S. and EU interests, it is unlikely to provoke a major confrontation with the West. In protesting the recognition of Kosova's independence the Kremlin aims to raise its international stature by claiming that Russia is a major defender of international legality and the protector of state integrity. At the same time, Moscow depicts the U.S. as a unilateralist maverick to disguise its own imperial ambitions among former satellites. Kosova enables Russia to elevate its international position, to interpose in Balkan and European affairs, to promote splits within the EU, to gain veto powers over Europe's enlargement, and to construct a Eurasian pole of power as a counterbalance to the United States.

Russia will continue to pursue its expansionist agenda more vigorously in several neighboring regions and intensify its anti-American alliances. Moscow's policy will remain assertive and President Dmitry Medvedev may even seek to prove his Greater Russia credentials by heating up one or more conflict points with the U.S. or the EU. The list of disputes expands almost every week and includes such contentious questions as the U.S. missile defense shield, the CFE (Conventional Forces in Europe) treaty, ballistic missile accords, the role of the OSCE (Organization for Security and Cooperation in Europe), NATO enlargement, and energy security.

For the Kremlin the birth of new democracies in former Communist territories presents a long-term threat to Russia's strategic designs. Independent democratic governments invariably seek membership in NATO and the EU in order to consolidate the reform process and provide permanent security and the assurance of state sovereignty. For Moscow, such steps undercut its influences in neighboring countries, shrink its regional power projection, and retard its ambitions as a revived superpower. Russia feels more confident in realizing its aspirations where its neighbors are either predictable authoritarian states, isolated countries with populist governments, or weak states that are internally divided and therefore cannot qualify for NATO or EU membership.

The Balkans are useful for Moscow in disrupting democratic expansion in the wider European theater and injecting the Kremlin's corrupt business practices and its disregard for the rule of law. Serbia is a valuable bridgehead to further its economic and political interests, especially through the expansion of monopolistic energy networks. The U.S. and the EU need to develop a more united and resolute strategy in dealing with Russia particularly on issues that are central to allied interests, such as security, stability, democracy, and international integration throughout the Balkans. Moscow exploits weakness and division but ultimately respects strength and steadfastness.

The CHAIRMAN. Thank you.  
Mr. Serwer.

**STATEMENT OF DANIEL SERWER, VICE PRESIDENT FOR  
PEACE AND STABILITY OPERATIONS, U.S. INSTITUTE OF  
PEACE, WASHINGTON, DC**

Mr. SERWER. Thank you, Mr. Chairman, for this opportunity to testify before you again, offering my personal views—not those of the U.S. Institute of Peace, which does not take positions on policy issues.

I am going to submit my full statement for the record, if you'll permit. In this oral testimony, I'll skip over the initial points, which concern how the Kosovars have celebrated their independence, but have not fundamentally misbehaved, and how Belgrade is trying hard to turn back the clock.

You are all familiar, I think, not only with the burning of the U.S. Embassy, but with various statements that have been made by the Prime Minister, the Supreme Court, the President, and various other authorities, including threats to retake Kosovo made by a prominent Serbian Bishop.

The situation in northern Kosovo is particularly dangerous. If NATO and the European Union allow continued Serbian control there, as the U.N. and NATO have allowed for 9 years, there will be division along ethnic lines, with consequences for Bosnia and Macedonia. Pristina cannot assert its sovereignty in the North without creating big problems. The European Union and NATO need to do it on Pristina's behalf, blocking Belgrade's partition plans.

My main point, Mr. Chairman, is that Serbia—not Kosovo—is the problem in the Balkans. Its leadership promised to hold on to Kosovo and cannot now deliver. By keeping the issue open, the Prime Minister aims to strengthen nationalists, whose most extreme political party is already the largest in the Serbian Parliament, as well as slow Serbia's democratic transition.

Belgrade's refusal to accept a sovereign Kosovo will limit its influence in international bodies and scare off foreign investors. Serbia's current path leads to isolation from Europe and the United States, as well as alignment with Russia, which has been paid off for its role in blocking a U.N. Security Council resolution on Kosovo with advantageous Serbian energy deals.

Brussels and Washington tried to prevent this sad turn of events by offering, upfront and without conditions, a series of incentives. These included normal trade relations, membership in NATO's Partnership for Peace, negotiation of a Stabilization and Association Agreement, opening European markets, over 1 billion Euros in assistance for 2007 to 2011, facilitated visas for EU entry, and extensive protection for Serbs remaining in Kosovo.

Since Milosevic's fall, the European Union has provided billions of Euros in aid and preferential credits. The United States has provided \$635 million in assistance. Serbia has pocketed these incentives and provided little in return since 2003.

It's time for Washington and Brussels to get smarter. While hoping that Serbia will come to its senses sooner rather than later, both need to plan for a long period in which Belgrade aligns with Moscow and tries to block NATO and the EU expansion in the Balkans.

Transitional democracies in Croatia, Macedonia, Albania, and Kosovo will have to share the Western Balkans with a backward-looking, resentful, and ill-spirited Serbia. NATO and the European Union should move quickly to welcome as members those countries that are doing the right thing, in the hope that they will encourage Serbia to come along. Washington and Brussels should also signal that they are determined not to give Serbia any more freebies.

Ambassadors should be recalled for consultations on a new, co-ordinated United States and European Serbia policy. The still unsigned Stabilization Association Agreement should be taken off the table. The people, including Serbian security officials, who participated in attacking checkpoints inside Kosovo should be brought to trial in a Pristina courtroom, under EU supervision.

At the same time, Brussels and Washington need to make clear that there is a route out of the dead end into which Serbia has driven itself, provided it meets reasonable conditions.

American and European ambassadors should return to Belgrade once Serbia ends violence against the legitimate forces of law and order in Kosovo, and begins to cooperate with NATO and the European Union there. I note here that this morning's news is that rather than doing this, Serbia has urged Serbian employees of the authorities in Kosovo to leave their jobs.

If Serbia turns indicted war criminal Ratko Mladic over to The Hague Tribunal, the Stabilization and Association Agreement should proceed. Serbian candidacy for EU membership should be conditional on Kosovo's entry into the United Nations, currently blocked by a Russian veto at Belgrade's behest.

By laying out a clear path forward to improved relations conditional on Belgrade's behavior, Brussels and Washington can over time bring Serbia out of its funk and enable it to occupy its rightful place in Europe. Offering more freebies without conditions will have the opposite effect, encouraging reactionary forces in Serbia and strengthening its alliance with Russia.

I hasten to add that generous support should go to the courageous Serbs who have continued, despite the prevailing winds, to advocate human rights, free media, dialog with Kosovars, and doing what is necessary to get Serbia into the European Union. Likewise, Voice of America, and Radio Free Europe should continue to broadcast in Serbian and Albanian.

Mr. Chairman, I consulted with a Serbian journalist just before this hearing, in this very room, who noted to me that from the point of view of the media, things are less free today than they were under Milosevic.

I'm going to skim over my discussion of collateral damage in Bosnia and damage to our relations with Russia and only note that in Bosnia I think the only potential source of trouble is not the Bosnians themselves, but Belgrade troublemaking.

And with respect to Russia, our relations with Russia are much bigger and more important than Kosovo, and there have to be things in that relationship that we can give up without high cost to signal to the Russians that we want to put Kosovo behind us.

Let me conclude by saying that we've done the right thing to join our European partners in recognizing Kosovo as a sovereign state, a move that has prevented much worse violence and instability than we've seen so far.

We need now to repair relations with Serbia by delineating a clear path forward and patiently awaiting Belgrade's realization that its citizens will be far better off if their government embarks on it. It may take a long time for that to happen.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Serwer follows:]

PREPARED STATEMENT OF DANIEL SERWER, VICE PRESIDENT FOR PEACE AND STABILITY OPERATIONS, CENTERS OF INNOVATION, U.S. INSTITUTE OF PEACE WASHINGTON, DC

It is a pleasure to be here today to offer my personal views—not those of the U.S. Institute of Peace, which does not take positions on policy issues—on the challenges facing the United States and Europe in the aftermath of Kosovo's independence.

My main point is this: Kosovo isn't the problem, Serbia is. I will offer a policy on Serbia that departs from what we have been doing. I call it the Clear Path Forward, because it makes clear what Belgrade needs to do to make its way toward Europe.

*Kosovars celebrate but have not misbehaved*

Independence generated excitement and celebration in Kosovo, but its Albanian population—about 90 per cent of the total—has refrained from violence against minorities. Despite provocations, Kosovars have not sought, as some feared they might, to chase Serbs from the new state. This correct behavior needs to continue.

Kosovo needs massive assistance, but it also needs wise restraint to develop as a state. While providing international judges and prosecutors as well as police monitors, we need to be careful not to create dependency: Politicians who feel no obligation to take on tough issues because they know the internationals will act. States need to make their own mistakes. We should intervene only to prevent the potentially fatal ones.

*Belgrade is trying to turn back the clock*

While Albanians celebrate, Serbs are protesting. Serb police supported rioters who burned U.N. and Kosovo police checkpoints near the now international border. Serbia's Minister for Kosovo hailed these efforts as consonant with government policy, thus disrespecting U.N. Security Council Resolution 1244, to which Belgrade often appeals, and causing Kosovo Serbs to ask him to resign. Young extremists attacked the U.S. and other Embassies, left unguarded during a government-endorsed demonstration. There have also been riots outside Belgrade, as well as attacks on independent media.

The Serbian Government is trying to turn back the clock. Parliament, where no Kosovar has sat since Milosevic deprived the province of autonomy almost 20 years ago, announced it had annulled the independence declaration and declared deployment of an EU mission to maintain rule of law unacceptable. The Supreme Court failed to act when the Serbian Government struck Kosovars from the voter rolls to ensure approval of a new constitution prohibiting recognition of Kosovo's independence, but it quickly denounced the independence declaration as illegal.

The Prime Minister praised the youthful rioters after the U.S. Embassy attack, accused the President of the United States of violence against Serbia and claimed, "As long as the Serbian people exist, Kosovo remains Serbia," no matter what its population wants. Serbia's Ambassador to Washington has been recalled. Serbia's President has pledged he will never accept Kosovo independence. One of its leading bishops has called for the Serbian Army and police to retake Kosovo, after rearming with Russian supplies. Belgrade has encouraged secession rumblings in the Serb half of Bosnia.

The situation in northern Kosovo is particularly dangerous. If NATO and the EU allow continued Serbian control there—as the U.N. and NATO have for 9 years—there will be division along ethnic lines, with consequences for Bosnia and Macedonia. Pristina cannot assert sovereignty in the north without creating big problems; the EU and NATO need to do it on Pristina's behalf, blocking Belgrade's partition plans.

*Serbia is the problem*

Serbia, not Kosovo, is the problem in the Balkans.

Its leadership promised to hold on to Kosovo and cannot now deliver. By keeping the issue open, the Prime Minister aims to strengthen nationalists, whose most extreme political party is already the largest in the Serbian Parliament, and slow Serbia's democratic transition. Belgrade's refusal to accept a sovereign Kosovo will limit its influence in international bodies and scare off foreign investors. Serbia's current path leads to isolation from Europe and the United States as well as alignment with Russia, which has been paid off for its role in blocking a U.N. Security Council resolution on Kosovo with advantageous Serbian energy deals.

Brussels and Washington tried to prevent this sad turn of events by offering, up front and without conditions, a series of incentives. These included normal trade relations, membership in NATO's Partnership for Peace, negotiation of a Stabilization and Association Agreement opening European markets, over one billion euros in

assistance in 2007–11, facilitated visas for EU entry and extensive protection for Serbs remaining in Kosovo. Since Milosevic's fall, the EU has already provided billions of euros in aid and preferential credits; the U.S. has provided \$635 million in assistance.

Serbia has pocketed these incentives and provided little in return since 2003.

#### *We need better policy*

It is time for Washington and Brussels to get smarter. While hoping that Serbia will come to its senses sooner rather than later, both need to plan for a long period in which Belgrade, aligned with Moscow, will try to block NATO and EU expansion in the Balkans. Transitional democracies in Croatia, Macedonia, Albania, and Kosovo will have to share the Western Balkans with a backward-looking, resentful and ill-spirited Serbia. NATO and the EU should move quickly to welcome as members those countries that are doing the right thing, in the hope that will encourage Serbia to come along.

Washington and Brussels should also signal that they are determined not to give Serbia any more freebies. Ambassadors should be recalled for consultations on a new, coordinated EU/U.S. Serbia policy. The still unsigned Stabilization and Association Agreement should be taken off the table. The people, including Serbian security officials, who participated in attacking checkpoints inside Kosovo should be brought to trial quickly in a Pristina courtroom, under EU supervision.

At the same time, Brussels and Washington need to make clear that there is a route out of the dead end into which Serbia has driven itself, provided it meets reasonable conditions. American and European Ambassadors should return to Belgrade once Serbia ends violence against the legitimate forces of law and order in Kosovo and begins to cooperate with NATO and the EU there. If Serbia turns indicted war criminal Ratko Mladic over to the Hague Tribunal, the Stabilization and Association Agreement should proceed. Serbian candidacy for EU membership should be conditional on Kosovo's entry into the U.N., currently blocked by a Russian veto threat at Belgrade's behest.

By laying out a clear path forward to improved relations conditional on Belgrade's behavior, Brussels and Washington can over time bring Serbia out of its funk and enable it to occupy its rightful place in Europe. Offering more freebies without conditions will have the opposite effect, encouraging reactionary forces in Serbia and strengthening its alliance with Russia.

I hasten to add that generous support should go to the courageous Serbs who have continued—despite the prevailing political winds to advocate human rights, free media, dialog with Kosovars and doing what is necessary to get Serbia into the EU. Likewise, Voice of America and RFE/RL should continue to broadcast in Serbian and Albanian.

#### *Collateral damage*

Let me briefly address the issue of collateral damage due to Kosovo's independence, in particular in Bosnia and in American relations with Russia.

In Bosnia, the only serious risk arises from Belgrade encouraging Serb separatists. Left to their own devices, Bosnia's Serb leaders prefer being someone in Sarajevo to being no one in Belgrade. The U.S. and EU need to make it clear that Republika Srpska can either exist within Bosnia, or not exist at all and have its territory—which was home to a Muslim majority before the war—become part of a unitary Bosnian state.

With Russia, it is time to put Kosovo in the past, starting at the April NATO Summit in Bucharest. This can be done by considering Russia's interests across a wide spectrum of issues—including antiballistic missile radars, NATO enlargement and Moscow's ties to South Ossetia and Abkhazia. We need Moscow to abstain from using its veto to block Kosovo's U.N. membership. Without caving to the Russians, we need to ask ourselves what they will value that the U.S. can give up without high cost.

#### *Conclusion*

We have done the right thing to join our European partners in recognizing Kosovo as a sovereign state, a move that has prevented much worse violence and instability than we have seen so far. We need now to repair relations with Serbia by delineating a clear path forward and patiently awaiting Belgrade's realization that its citizens will be far better off if their government embarks on it. It may take a long time for that to happen.

**STATEMENT OF IVAN VEJVODA, EXECUTIVE DIRECTOR OF  
THE BALKAN TRUST FOR DEMOCRACY, WASHINGTON, DC**

Mr. VEJVODA. Mr. Chairman, thank you very much for this invitation to speak before the committee.

I was here for the first time 4 years ago, in 2004. And reviewing what I had submitted then, things have greatly changed and, in other ways, have not changed. The theme then was the unfinished business in the Balkans. I think we are seeing the tail end of that unfinished business, as others have said.

But let me say that, as the director of a grant-making organization supporting democracy throughout the Balkans, and sitting, in fact, in Belgrade, and being a citizen of Belgrade and Serbia, I would like to condemn, with others, the regretful events in the attacks of the United States???? and other embassies, and the violence that occurred on the night during which there was a peaceful demonstration where 200,000 people took part, and I am ashamed of what went on.

I would also like to note that, unfortunately, we are going to commemorate next week the fifth anniversary of the tragic assassination of Prime Minister Dindic, with whom I worked during the last year of his life on all of these Euroatlantic orientations with Serbia.

I mentioned that, because I would like to highlight the fact that we are dealing with a difficult legacy, as other post-Communist countries. And it's that legacy that bears on an accelerated path of Serbia and the region toward Europe. And there's nothing, of course, easy about that. And I would say that, given that legacy of communism and of the Milosevic 1990s, Serbia has made important strides, clearly understanding that it could have gone much faster and could have done more in other respects.

If we take The Hague Tribunal, 42 indictees have been handed over. Four have been left, of course; the major one, Ratko Mladic, should have been in The Hague many, many months ago, and hopefully, as the Serbian Government says, it will see to it that it advances.

But clearly, we are now just barely 2 weeks after February 17, and the declaration of independence of Kosovo, and this is, let's face it, a moment of difficult truth for Serbia, an emotional moment in which the links—the cultural and historical links of the Serbian people to Kosovo—notwithstanding the reality after 1999 which de facto Serbia lost its practical sovereignty over Kosovo, and the moment of emotion, anger and mourning, I think, is still with us.

But I would like to submit to you that we have an extremely vibrant discussion in the public opinion of Serbia, all over the press and the media, and in cafes, over what is the course that Serbia has to take. And this question of whether Serbia is going to toward the European Union or will choose an alliance with Russia is basically a nonquestion.

The resounding victory of President Tadic on February 3, in the second round of the elections, speaks to the question that was asked a little while before, "What do the Serbian people think?" Time and time again, since 2000 and the victory over Milosevic, all opinion polls, deep and shallow, have shown that 70 percent average Serbian opinion wants to go to Europe.

Most recently, a poll showed that again, asking, "What were the reasons?" The reasons are, very simply, certainty about tomorrow, jobs, freedom of travel, and I think the European Union is absolutely right on working on a visa-free regime that hopefully will be concluded, or come close to conclusion, under the French Presidency of the European Union, which begins on July 1.

I would beg to differ with my friend and colleague, Dan Serwer, on the issue of the Stabilization and Association Agreement. I think that Serbia should be offered, as it was—because Serbia has, to remind you, initialed the Stabilization and Association Agreement—it has to sign it.

Now officially, 26 Member States were for it on January 28; Holland, the Netherlands, were against it, and thus, it fell through.

Why do I say this? For the same reason that many of us advocated Partnership for Peace, which I think rightfully NATO gave to Serbia, Montenegro, and Bosnia, and Herzegovina during the NATO Summit of Riga in 2006. I simply think that the principle to include is better than the principle to exclude, being on the European Continent, being the unfinished business of the European emphatic political peace project after 1945.

Serbia is, in certain ways, of course, at a difficult moment with this reckoning of the Kosovo decision. But the victory of President Tadic, which I remind you won on a ticket together toward Europe. The government, I think it is important to say for the record here, is a majority government of pro-European Union and pro-Euroatlantic parties. It is the Democratic Party of the President, and the G17+ Party of Mr. Mladjan Dinkic.

The minority group is the Prime Minister's party, the Democratic Party of Serbia, and of course, the Prime Minister, being what he is, has a loud voice, and thus that voice is sometimes heard more loudly than that other equally significant part, both of the policy of Serbia and of the society that do want to go to Europe.

I would even say that those who voted for the radical candidate in the Presidential election are also not against Europe, at least a good part of them. They voted for the radical party in a majority because of a strong social protest vote of dissatisfaction with the way transition has laid a cost at the door of many people who have lost their jobs and who do not see the future forward.

Let me go on to say that with the events of the declaration of February 17, something that all of us feared did not happen, and that is the departure of Serbs from Kosovo. If you recall, that was very high on the list of everybody's preoccupation. Will we see another exodus of people?

And I would say that that is the result of the joint efforts of everyone in the region, including the Serbian Government, that went down there and told people, "Stay, we will see to it that your security." But, of course, the Pristina authorities, of NATO, and of Vanic.

Second, I think we need to highlight—and it hasn't been mentioned here this morning—the excellent relationships that the Serbian military and the Ministry of Defense have with NATO, with the American military, and it is the Ohio National Guard that is the bilateral cooperation on the military side with the Pentagon here.

I think that is very important to highlight as we address this issue of the Balkan's moment of truth, because I think that we can see through that relationship where the real substantive direction of the country is. And the Minister of Defense, Mr. Jorgen Shutanovitz, has played an extremely important role, as has the Chief of Staff, General Ponish, who is in constant contact with KFOR commanders.

I dare make a comparison, just to give us a reality check here, to see the unfortunate events in Vlazia these days, to see what has happened after the Armenian Presidential election where eight people were killed.

I think we need to put things into perspective, that given the long arc after the fall of Milosevic, the Balkans have done rather well compared to other parts of the world, and there is one simple reason for that, and that is the word "Europe." Because Europe with its soft power, the European Union attraction and magnet, have been doing their job, often in a messy and difficult way, but have in the end delivered.

And I would say that the citizens of the Balkans, whether they're from Pristina or Belgrade or Zagreb or Sarajevo or Podriza or Sculpia, wants a peace and stability. We have done wars, we have done sanctions, we have done bombings in the 1990s, and we've had hyperinflation.

It is up to our leaders, which we have to push, as citizens and friends from the outside, to deliver on their promises of that future. And I think that we are close to that moment when we will go over the tipping point, and when countries become candidates. Serbia, Bosnia, and Montenegro have to become candidates. Hopefully, Albania, Macedonia, and Croatia will be invited. I think it is extremely important for the security of the region and for that path forward. We have many challenges ahead, and civil society is an important part of that.

If I may add just one word, I think that, in Kosovo, and my organization, as others, have been working to foster development, we will need to Kosovo society to see to it that the advocacy and watchdog functions, not only of Kosovo authorities, but of international agents there, to see that the money of the European and other taxpayers are well being used.

So I maintain, as I did 4 years ago in this hearing, that the glass is half-full and that we have to continue filling it with all our efforts.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Vejvoda follows:]

PREPARED STATEMENT OF IVAN VEJVODA, EXECUTIVE DIRECTOR, BALKAN TRUST FOR DEMOCRACY, THE GERMAN MARSHALL FUND OF THE UNITED STATES, WASHINGTON, DC

Mr. Chairman, Senators, it is a great honor to be invited to speak today before this committee of the U.S. Senate at this important juncture in the history of the Balkans. As we confront the challenge of the status of Kosovo, stability and peace and the further consolidation of democracy and political modernity in the region are at stake. I am here to offer my personal views on the current situation and future outlook for the Balkan region

**INTRODUCTION: THE MOVEMENT OF THE WESTERN BALKANS TOWARD EUROATLANTIC  
INTEGRATION**

The region has made significant strides over the past 8 years toward Euroatlantic integration: Croatia and Macedonia are candidate countries for membership in the European Union (EU); Albania and Montenegro have signed Stabilization and Association Agreements (SAA) with the EU; Serbia and Bosnia and Herzegovina have initiated SAs with the EU. All the countries of the region are members of NATO's Partnership for Peace Program (PfP). I believe it was an extremely prudent and judicious move to give PfP membership to Bosnia and Herzegovina, Montenegro and Serbia at the NATO Riga Summit in November 2006. NATO's summit in Bucharest in April will most likely see invitations for NATO membership for Albania, Croatia, and Macedonia.

Becoming part of Europe's post-World War II peace project—the European Community/Union is probably the single most important goal for the entire region. Becoming part of the collective security framework that is NATO for additional countries in the region will mean acquiring guarantees for further stability and peace. In fact, after the EU accession of Romania and Bulgaria to membership of the EU just over a year ago, the western Balkans have become somewhat of an inner court-yard of both the EU and NATO, being completely surrounded by Member States.

The region has also moved ahead very significantly in terms of regional cooperation in many fields, most notably in establishing a common zone of free trade—CEFTA. There is an understanding that the western Balkans which have a joint population of approximately 20 million people, must endeavor jointly to find their rightful place in the European and eventually global economy. Joining a European Union of close to half a billion people that is one of the strongest economic players in the world is of the essence.

The integration dynamic is thus being pursued by the different countries at varying speeds and intensity. This positive dynamic has encountered and is encountering a number of obstacles that other transition countries have seen. All the countries of the western Balkans have significant unfinished business to accomplish. I had the honor, Mr. Chairman, of testifying in front of this committee in July 2004 when the theme of our hearing aptly drew attention to the unfinished business.

We are paradoxically both far beyond where we were 4 years ago, and confronted by many of the outstanding challenges. Why is this the case? Principally because this part of Europe underwent a unique dynamic after the fall of the Berlin Wall in 1989 different to other post-Communist countries. Something happened in Europe that should not have happened: The violent breakdown of a European country—former Yugoslavia. This conflict lasted through the last decade of the 20th century and ended with the birth of six new countries, and now the unilateral self-proclamation of a seventh one has created a set of difficult challenges for the transatlantic community.

It is essential that this remaining part of a more narrowly defined European Continent become as soon as possible, following the prescribed rules and conditions, each country on its own merits, a member of the European Union and of the Euroatlantic community. This will ensure the pillars of a lasting stability and peace.

Finally, before beginning I would like to mention with great regret two events. I joined the President of Serbia and others in expressing my deep regret and condemnation of the violence and violent attacks on the U.S. and other Embassies in Belgrade on the night of February 21, 2008. The second is to mention that in 8-days time, on March 12, we shall commemorate the tragic assassination of Zoran Djindjic, the Prime Minister of Serbia, a true statesman and leader whose vision of a democratic, prosperous, modern Serbia inspired a whole generation of Serbian society. I had the great honor of working with him during the last year of his endeavors.

**EUROPE**

I believe that we have to state the obvious at the outset. It is the word Europe, the concept of an emphatically political peace project after a century of European killing fields that defines the framework in which we are discussing today's topic. The Balkans' moment of truth is Europe and the European Union.

We unfortunately only need to look at the latest developments in the Middle East, or the current events in the aftermath of the recent Armenian elections (the tragic death of several individuals), to see that in comparison, notwithstanding all of the huge difficulties, the Balkans have their anchor in a much more stabilizing environment. The behavior, erratic at times, of all Balkan actors is being tempered by both the terrible consequences of the war-torn 1990s and by the concrete prospect of becoming part of that vast, however complicated, family of the European Union.

The desire to become part of a success story which ultimately, through thick and thin, with all of its imperfections, nonetheless brings greater certainty and security, overrides other more irrational temptations.

#### SERBIA

Serbia is in many ways the key to the region's stability, security, and prosperity. All other countries are also fundamental to the process of stabilization and the creation of conditions for a lasting peace. But Serbia by its sheer size and geographical position is crucial to this process. It is the peaceful, electoral victory over Milosevic and his regime in 2000 that opened the road for the Balkans to fully embark on the Euroatlantic integration project. Serbia has reconfirmed at every subsequent election its democratic, European choice for the future.

The resounding victory of President Boris Tadic in the second round of the Presidential election on February 3, 2008, just a month ago, was once again proof of this. His slogan of "Together to Europe" won the day; 2.3 million voters delivered a clear message to the political elite that there was no alternative to Serbia's future. I would submit to this committee, Mr. Chairman, the view that whatever is the temporary perceived interruption of Serbia's road to Europe—that road will continue.

The strong showing of the opposition candidate from the Serbian Radical Party (SRS) bore at least a twofold message. It was in my view principally a strong voice of discontent from the part of Serbian society that had lost out in the preceding years of the transition process, citizens who had lost their jobs and who do not see a secure and certain livelihood for themselves in the coming years. The prospect of EU integration seems far flung for them. It was thus a vote of stern warning to the current and past democratic coalitions that have been in power since 2000 that they must begin delivering more jobs and a better standard of living, that they must show greater commitment to the public good. There is also a portion of that SRS vote that is not content with the way things have preceded with Kosovo's future status and the conditionality of the Hague Tribunal. In the election campaign the SRS candidate made an attempt to show a more moderate face of the nationalist party that it still is.

In this overall context one needs to understand that Serbia is in its eighth year of transition. One has to hark back to 1997/98 to compare Serbia to where, for example, Poland or Hungary was. Yes; Serbia is a laggard and should be moving much faster. I am convinced, as I was with the victory over Milosevic's regime, and of the victory of Boris Tadic in the recent Presidential election, that Serbia will find it in itself to continue its reform process and path to EU integration.

The current state of play in Serbia may not convince observers of this. The incumbent coalition government in Serbia, composed of the Democratic Party (DS) of President Tadic, of the Democratic Party of Serbia (DSS) of Prime Minister Vojislav Kostunica, and of G17+ Party of Minister Mladjan Dinkic—is in a state of crisis and discussion. The unilateral declaration of independence by Kosovo and Metohija on February 17, 2008, has put an immense strain on the coalition. The Government voted in May 2007, after the January 2007 elections, on a five-priority program: Defending the integrity of Serbia including Kosovo, EU integration, the fight against corruption, creation of jobs, and cooperation with the International Criminal Tribunal for Former Yugoslavia (ICTY).

The majority of the government is composed of the DS and G17+ who are staunchly pro-European while at the same time defending Serbia's claims to territorial integrity and sovereignty and insist on the immediate resumption of the EU integration process. The Prime Minister and his party are holding a position that Serbia can only continue on its EU path by asking that Kosovo be an integral part of Serbia on that path.

On March 2, President Boris Tadic reiterated the key point that Serbia should not and will not in any case isolate, self-isolate itself, because it would only do detriment to itself. He recalled that Serbia has 60 percent of its trade with the EU while only 5 percent with Russia and that Serbia must look to its well-understood self-interest. The Deputy Prime Minister Bozidar Djelic just yesterday announced that the government will pursue implementation of the SAA while waiting to sign it. Minister Mladjan Dinkic has taken a strong line in invoking the need for realism and Serbia's economic and investment priorities. All these statements can be summarized in the following way: Serbia must not waste any more time in its democratic and economic reforms and its road to the EU.

The debate has been out in the open, ongoing and very clear. Just 2 weeks after Kosovo's unilateral declaration of independence that both the Government and Parliament of Serbia have declared null and void, this debate testifies to the vibrancy of the Serbian public sphere: Politicians, business people, journalists, and civil soci-

ety actors are all involved. The most regretful events of February 21, 2008, when violence occurred in Belgrade brought a sense of déjà vu and a throwback to the 1990s with attempts at identifying “traitors” to the national cause and singling out particular civic leaders and media (B92) who are accused by nationalists of not towing the nationalist line. The response of strong public opinion was very important.

Business leaders and investors have insisted for the greater part (the American Chamber of Commerce in Serbia for example) that nothing changes in their view as far as continuing business is concerned, provided basic conditions don't change and that Serbia resumes its road to EU integration without delay. Other facts though indicate that even this 2-week interruption lull in Serbia's EU intentions, have sent worrisome signals. The Belgrade stock exchange has lost percentage points, a certain number of potential investment arrangements have been put on hold and there is with some economic actors a wait-and-see attitude.

What does all this signify? First is that Serbia is locked into a framework of relationships of mutual dependency, economic foremost, and it will only do detriment to itself if it decides to stay outside them. Reality presses strongly at the governmental door. Geopolitically the EU is without alternative, and the so-called Russian alternative is a nonstarter in spite of certain nationalist voices who believe that Serbia can relinquish the EU road, maintain certain commercial relations with the EU, and choose other allies (Russia, China, India). Russia is clearly, for other European countries, an important partner in energy. Just as Germany, Austria, or Bulgaria have signed significant arrangements on gas in particular, so has Serbia recently signed a deal on the South Stream gas pipeline. There are also many questions raised by government actors on the probity of the contract to sell the Serbian oil company NIS. This is still ongoing.

Local elections are slated for May 11, 2008, and I believe that the Serbian governmental coalition will hold until then in spite of the severe turbulence it is going through—all coalition partners are saying that they are doing everything to maintain the coalition, although all have drawn their red lines. We will be wiser to the fact whether we will have early parliamentary elections as some analysts think in September or by years end, by the time of the local elections. The main question is when (in days or weeks or months) does Serbia resume its EU road, take advantage of the French EU Presidency beginning on July 1, because France is committed to helping Serbia gain formal candidacy for membership of the EU by the end of the year, and also finalize an agreement on full visa liberalization for travel to Europe.

#### KOSOVO

##### 1.

This was and will remain an enormous challenge. It comes at the tail end (as many surmised it would at the beginning of the breakdown of former Yugoslavia in 1991) of a series of wars and interventions. As the region and its individual countries have slowly found their foothold in the post-conflict and Euroatlantic integration dynamic, so have all stakeholders awaited the moment of the Kosovo decision. Now it has come. A unilateral (or coordinated) declaration of independence (that some European analysts have called more of a declaration of dependence) that was celebrated by the Albanians of Kosovo and with anxiety experienced by the non-Albanian population in Kosovo. Serbia rejected, as it had announced this declaration and declared it illegal, and as one that tramples international law and the Helsinki Accords, and said that it would not recognize the independence of Kosovo.

There is much uneasiness and wariness on the part of a number of states even within the EU with this move that has not been “covered” by the United Nations. To date about 14 EU Member States have recognized Kosovo as well as about 10 other non-EU states, including the United States. Although all EU Member States including Spain, Romania, and Slovakia have endorsed the EU mission, EULEX, and will send their personnel to be part of it. One might say it is still early days, but judging by commentaries in major daily press in the United States and Europe there seem to be many more questions than answers.

Also the fact that the EULEX has been sent to overview and supervise judicial, police, and customs affairs, but without U.N., or U.N. Secretary General's (UNSG) endorsement begs many a query. In fact the exchange between Pieter Feith, the EULEX mission leader, and the spokesperson of the UNSG reveals the state of international legal confusion at the moment.

I wrote in my testimony to this committee on July 14, 2004:

When domestic actors are incapable of solving a contentious issue and require a third party to mediate then all parties become stakeholders. The crucial stakeholders are the domestic ones and unless they arrive at a solu-

tion based on compromise through negotiations then no solution will be found, or only half measures will be achieved. The lack of a solution in Cyprus because one of the key communities was not on board the agreement is an example of this, again all things being equal.

In Kosovo as in other similar/dissimilar seemingly “intractable” conflict or post-conflict situations (Northern Ireland, Kashmir, Sri Lanka, Basque country, Israel-Palestine, etc.) the solution is in bringing the voices of moderation, pragmatism, and realism forward while blunting the arguments and basis of grievance of the extremists wherever they may be. The engaging of the dialog is essential—in this case between Albanians and Serbs. This long and arduous dialog had just begun, but was interrupted. It should be resumed, reengaged, and broadened.

Negotiations that were engaged 2 years ago, and then continued under the auspices of the troika (U.S., EU, Russia) bore no results. This is the result and the reality we have today.

Mr. Chairman, however satisfactory this outcome for some, principally for the Albanians in Kosovo, and unsatisfactory to others, principally Serbia, allow me to dwell on several aspects.

I mentioned above the fundamental importance of the overall European framework of these developments. All actors agreed to not engage in violence. The key interlocutors from the Belgrade and Pristina side signed off on such a pledge during the troika talks. The Serbian side many times over said and kept its promise that the army would not be engaged, nor used in any way whatever the outcome. Moreover, the intensity of the contacts between the Serbian Ministry of Defense, the Minister, and the Serbian military with NATO and KFOR commanders has been crucial to the relatively stable and peaceful turn of events during this whole very precarious process. There is a clearly defined political desire to maintain as fully as possible the conditions of stability and peace established over the last 4 years, i.e., since the most regrettable events of March 17–18, 2004, when another 4,000 Serbs were cleansed from Kosovo, churches burned and Serbian property destroyed. This is a major wakeup call about how badly things could go if unattended to, and all parties interests catered to.

Since 2004 the level and intensity of communications between international and domestic actors have proven to have had a positive effect. The EU perspective opened for the whole region at the EU Thessaloniki Summit in June 2003 holds firm and has been reiterated and helps maintain clarity of purpose.

Also, one of the greatest fears were that we all might witness another exodus of the remaining Serbs from Kosovo once a unilateral declaration of independence occurred. This has fortunately not happened, again thanks to all involved including the Serbian Government that in the final days of the runup to the declaration went to the Serbian enclaves and spent time with the people to reassure them that their security would be respected and enforced. We have overall seen, again fortunately, little degree if no violence. All of these are important achievements that must not be underestimated or forgotten because they speak to the deeper and more substantive intentions of the actors.

## 2.

There is another reality in Kosovo, which is that the northern municipalities where Serbs are the dominant population are not under the control of authorities in Pristina, but under UNMIK. Overall in the north in Kosovska Mitrovica events have been relatively peaceful, except again for the very regrettable, but isolated events, of the burning of the two customs posts in Jarinje and Barnjak, on the administrative border with Serbia proper.

A majority of Serbs living in Kosovo live south of the Ibar river in bigger or smaller enclaves and have decided to stay. The EULEX mission is beginning to install itself while U.N. Security Council Resolution 1244 and UNMIK remain in office under the U.N. SRSG Joachim Ruecker. This maintenance of UNMIK is, I believe at this moment, extremely important because it allows for normal communications between all the parties present and especially in the north. The Serbian Government and its Ministry for Kosovo and Metohija have pledged to Serbs that they will help them in their daily lives. It is crucial that the ongoing contacts between the U.N., UNMIK and the Serbian authorities are intense and constant, just as those between the military, for the sake of maintaining the peace.

What will happen eventually with the North—remain part of Serbia, a reintegrate into Kosovo (which it has not been for all of these years) or have some lasting in-between status—is very hard to predict with certainty at this moment. As is well known even the negotiators of the troika at certain moments spoke of partition as a possible solution if the parties directly between themselves agreed to it. Both Bel-

grade and Pristina have officially rejected this as a possibility. But the reality on the ground is that the north is separate from the center and south of Kosovo. What will this reality lead to? At this stage it is most important that in the lives of people living there nothing changes for the worse, that their sense of certainty and security be progressively enhanced.

The overall movement of the Balkans toward the EU will or should overtime temper some of the outstanding tensions and unresolved issues. Timothy Garton Ash in a recent article wrote: "Indeed, if things go well in Europe's southeast and badly in its northwest, Belgium and Kosovo may yet converge: The Balkanization of Belgium meets the Belgianization of the Balkans." In other words the coming and strengthening EU framework can help continue to diffuse tensions and maintain them in a political setting.

### 3.

The Albanian leadership will very soon be confronted with the dire reality of the (non) economy of Kosovo. It is the least-developed region with the lowest income in Europe, even more so than Moldova. It has the highest unemployment and the most youthful population. The pressure on the labor market is enormous. Remittances are one of the most important income resources. Kosovo is plagued, as other countries in the region, with problems of corruption, trafficking, drugs and arms smuggling and often with elements of collusion between political parties and their own private security services.

Some analysts are talking of a potential failed state and a very long-term responsibility that the EU is taking over—in fact the creation of a long-term EU protectorate. The lack of success of the UNMIK mission in creating full security and managing infrastructure (electricity has been a dismal failure), and the failure of the "Standards before Status" policy are stark warnings to those who follow. Whatever the reality that will develop and whatever the legal wrapping that will be found, a huge investment in all areas will be required for the region at large, all of its states and Kosovo in its new form to begin seeing the contours and the effects of the European peace and prosperity project. The stabilization of the Balkans is conversely also a test for the EU's security strategy.

In Kosovo much needs to be done on strengthening civil society as a countervailing force to that of the political actors. The need for advocacy and watchdog activities will be paramount.

Investing in good governance, the rule of law, and human rights in all of its dimensions must go hand-in-hand with serious efforts of investment into infrastructure. The fight against corruption and for greater transparency is the precondition for the creation of an investment climate conducive to new investments creating jobs. All this requires focus, resources, and time.

The role of bilateral and multilateral donors as well as international financial institutions is essential to the success of the region as a whole. Were it possible to invest in regionwide infrastructure projects the result would potentially be more effective—alongside in-country projects.

One word on the endeavors of the Balkan Trust for Democracy (BTD), which is a project of the German Marshall Fund of the United States in a public-private partnership with USAID, and the C.S. Mott foundation (Flint, Michigan). This 10-year project launched in 2003 is active in all of the western Balkans as well as in Romania, Bulgaria, and Moldova. It has been joined over the past 4 years by European donors, including the Greek, Dutch, Swedish, and Danish Governments that have made significant contributions; and also private European foundations, including the Compagnia di San Paolo (Turin, Italy); Robert Bosch Foundation (Stuttgart, Germany); Tipping Point Foundation (Sofia, Bulgaria). Thus BTD is now a truly transatlantic effort at democratic institution and capacity building for governance and civil society projects in the Balkans. It has been met with great enthusiasm and expectations. As certain donors prepare to scale down and leave, others such as the Balkan Trust are contributing to the long-term effort of democratic consolidation and empowering the citizens of the region.

### THE REGION

All countries of the region are approaching the question of recognition of Kosovo's independence with great circumspection, wishing to contribute to stability by their cautious approach and waiting for a significant number of principally EU Member States to recognize before they do, if they do.

Bosnia and Herzegovina is particularly exposed to the turbulence of the Kosovo decision. The Parliament of Republika Srpska, an entity of Bosnia and Herzegovina, has made a decision on a possible referendum if its status in BiH were threatened to change. Very briefly, I believe that at this point in time the Dayton Accords and

the resulting constitution of BiH stand firm and there is no immediate danger of seeing Bosnia and Herzegovina disintegrate. If the entities of Bosnia and Herzegovina are respected then it will continue peacefully into the future with all the challenges that it has.

The region, as I mentioned earlier, is part of a regatta moving toward EU integration. Macedonia, a candidate member, will hopefully get a date in 2009 so as to start the long negotiation process for entry into the EU. Macedonia and Greece additionally must find it in themselves to overcome the 16-year-old dispute over the name of the country—because this will additionally stabilize the region.

The invitation for NATO membership to Albania, Croatia, and Macedonia will help give additional guarantees for security, stability, and peace. The 50th anniversary of the existence of the EU last year speaks to the fact despite many obstacles it has managed to incorporate 27 members, constituting nearly one-half billion people. The EU has the potential to historically diffuse the powder keg of Europe and possibly bring the region, in a positive virtuous circle effort, into or close to membership by 2014.

#### CITIZENS AND DEMOCRACY

Citizens in one part of the Balkans have experienced extreme hardships since the early 1990s while other post-Communist countries rushed to secure their long lost place in Europe. It will be 20 years since the fall of Communism and yet the Balkan region is still not completely secure from backsliding.

The citizens of the Balkans—wherever they may find themselves—do not wish to see a repeat of wars, sanctions, hyperinflation, or bombing, and they do not wish to feel fear, uncertainty, and insecurity. Through the democratic process, citizens now have legitimate democratic leaders. They wish their leaders to be responsible and in the words of Isaiah Berlin do what responsible governments do: “Avoid the extremes of suffering.”

The immediate and mid-term future is about consolidating these initial democratic foundations, further strengthening the sense of certainty and security about tomorrow through the creation of jobs and incrementally improving living standards. These are again historical crossroads for a part of the Balkans, yet because some lessons have been learned and Europe is the framework, we could be very cautious in saying that the glass is still half full.

Mr. Chairman, Senators, let us humbly try to continue to help fill it.

The CHAIRMAN. Thank you very much, gentlemen. Let me begin where our last witness left off.

Gentlemen, what is your view about the assertion just made that the vast majority of the Serbs see a future in Europe, but not with Russia? And that the implication is that, over time, this glass is half-full, and that impetus will, in fact, carry the day, in terms of—I assume you’re suggesting—in terms of Serbian domestic politics.

Would you two comment on that, please?

Mr. SERWER. I would only say that I think the pro-European perspective won’t carry the day, unless we make it clear what the path is. Mr. Tadic ran on a platform of Kosovo and Europe. That option isn’t available. Let’s face it. We have taken that option off the table.

So it’s now Kosovo or Europe. It’s not even Kosovo or Europe; it’s keep on fighting, or go to Europe. It seems to me that we have to make this choice very clear, and it’s not certain how Serbia will choose. But I know that if we make it cost-free to continue in the current path, then they don’t have any incentive to choose a different one.

The CHAIRMAN. If I could interrupt you before you—before the next response.

Mr. Serwer, you indicated that we should look to Russia to “give up something, to make it clear we want to put Kosovo behind us.”

It seems at odds with your notion of how you should deal with Belgrade and Serbia. You want to make sure that we take away from Serbia. I'm just being the devil's advocate here.

Mr. SERWER. Yes.

The CHAIRMAN. To take away from Serbia and Belgrade what has been placed on the table, in terms of a path to Europe, a path to the West. Yet a protagonist in this little adventure has been Moscow, and you're saying we should do the opposite with them. We should say, "Look, we had more important fish to fry. We're prepared to give up something to demonstrate to you that Kosovo is behind us."

Mr. SERWER. I think we have more important fish to fry with Russia. We need Russia more than we need Serbia. Serbia needs us more than they have realized lately.

The CHAIRMAN. Right. But—

Mr. SERWER. It seems to me that we have to recognize what our negotiating position is. It's relatively strong with Serbia, as long as we can stay united with the Europeans. The Europeans have the main leverage. With Russia, the situation is quite different, and it seems to me that we have to recognize that.

The CHAIRMAN. Let's put it another way. Russia, or Serbia without Russia, doesn't have much of a negotiating position at all. Does it?

Mr. SERWER. No; it has not.

The CHAIRMAN. And so by, in effect, rewarding Russia for its recalcitrant conduct, you don't think that just continues to encourage them to continue to support what a fairly extreme position they're taking?

Mr. SERWER. I think you have to make a deal. Our unwillingness to deal with Russia on Kosovo, our conviction that Russia would come along, because they had participated in the Ahtisaari negotiations, was wrong. I think we were snookered, frankly.

We gave up, in the Ahtisaari Plan, everything that Serbia and Russia asked for. We thought that would buy acceptance of Kosovo's independence. We are now imposing the Ahtisaari Plan, which was negotiated on the basis that Serbia would recognize Kosovo. We're now forcing the Albanians to implement that Plan without recognition. It was—

The CHAIRMAN. Can I ask you a question?

Mr. SERWER. I think we were had.

The CHAIRMAN. But, the fact of the matter is, isn't the plan something that we would be pushing, whether or not Serbia exceeded—

Mr. SERWER. There are many aspects of the plan that are very good. I think there are some that are very troubling.

The CHAIRMAN. Name one for me, please.

Mr. SERWER. The direct financing by Belgrade of communities inside Kosovo, for example. If that's done in a collaborative sort of way with the Pristina authorities, I can see how it can work. If it's done as it has been done in the past, surreptitiously, without collaboration with Pristina, it will be the prelude to partition, which is in the end the bottom line that Belgrade is looking for.

The CHAIRMAN. Thank you.

Mr. BUGAJSKI. Thank you, Senator. If I could just try and tackle those two questions—

The CHAIRMAN. Please.

Mr. BUGAJSKI [continuing]. With Russia and Serbia's position vis a vis, Europe and Russia.

The CHAIRMAN. I'd like you to tackle the first question, first.

Mr. BUGAJSKI. The first one first? My view of the Serbian population—this is a European population, they're European oriented—I don't think Russia gives them really a viable choice. What it does give them in Kosovo is a sense of temporary empowerment, vis-a-vis the international community. But I think that will wane, because I don't think Russia is going to force this issue too far with us.

Second, I would say the problem in Serbia is that the population does not know enough about the European Union. One often hears statements from Kostunica that this is a club in which everybody should welcome Serbia. This is not the case.

You don't negotiate entry into the European Union. You meet conditions for entry into the European Union. And that's a long process. And Serbia can learn from its neighbors. There should be closer links with Bulgaria, with Romania, to see how these countries actually managed to get into the European Union, and what a tough, long-term process it was. And Serbia is not even at the starting point yet.

The second question, on Russia, I don't quite see what Mr. Serwer means about compromising with Russia on other issues. I think the best way to deal with Russia is to make clear what our values and interests are, and to stick to them, including questions, for example, of NATO enlargement. This is one area, the MAPS, for example, for Ukraine and Georgia, where Russia may be pushing us to desist and not to give those invitations. I think it would be a huge mistake for us to give way on one vital security question in order to gain on another security question. I wouldn't link the two.

The CHAIRMAN. Thank you. My time is up.

Senator LUGAR. A mention was made by Secretary Fried that if investment is to come into Kosovo, there really has to be a banking system that is going to accommodate and secure the money.

A banking system that is fair transparent by our standards. A system we would have confidence in. We gave at the breakup at the former Soviet Union a lot of advice to Russia about the imperative need to have such a banking system there; and, likewise, a Rule of Law with regard to property rights. And this, combined with a judicial institution that breathes confidence.

These are very tough things to bring about. I cite, at least what I think is the beginning of a success story in Albania. Simply because of circumstances of Albania discovering nerve gas in the mountains above Tirana, I went to Albania in 2004, with Defense Department people, we discussed the threat the chemical weapons posed and made plans for Nunn-Lugar to destroy it. We also encouraged Albanians to make important reforms in the judiciary and in property rights and ownership, and confronting corruption.

And although important progress was made, only now, some 4 years later, are some prosecutions occurring of malefactors. There

is a beginning of a system that might bring confidence, and it's come largely because of search for NATO and U.N. membership. But it is important to note that this took 2, 3 years and considerable intercession by outside friends and organizations.

What I'm concerned about in the next year or two in Kosovo is not collapse of governance but lack of economic options. While the world is worrying about partition, what investment occurs inside the country as we are trying to have the donors' conference is critically important.

Is there leadership ability—without knowing who the leaders are going to be—or some sense of civic consciousness about the necessity of these institutions being built, even under the stress that we've discussed of the external events that are occurring?

Do any of you have any comment about your confidence in the ability of people of the country to build these institutions, and therefore express confidence that this state will be successful in serving these people?

Mr. BUGAJSKI. Let me just say a few words about this. You are absolutely right. And I think the voter turnout at the last elections in Kosovo indicated that the majority of the population is concerned about the government performance, economic conditions, social conditions, the future for their children, and these are the key issues.

Another important reason for independence is that now the status question is out of the way, politicians cannot hide behind campaigning for independence. Now, they have to deliver. And I think a priority item—you've listed them. I'm not going to repeat, but I think an efficient, competent government that delivers services, attracts investors, helps to establish the rule of law, reforms the judiciary, and itself is a model of anticorruption. In other words, absolute openness, transparency in their operations.

This is what I hope the European Union is going to focus on, rather than micromanaging every government decision, but primarily to keep this government honest.

I can't tell you what the performance will be, but I think it's a good start. The new ministers are not replicas of previous governments. I think you need young people coming in, as we've witnessed in Bulgaria and in Macedonia, people with experience of Western government, Western business practices. And I think they can learn a lot, also, from their neighbors in Albania, which as you said, is beginning to make some progress on these questions.

Mr. SERWER. Senator, let me address your specific question about the banks and the judiciary. Kosovo is a very small place. It is extremely difficult to get people to testify in certain kinds of criminal cases in Kosovo. Corruption in Kosovo is a serious problem.

I think you're going to have to import from the rest of Europe parts of the judiciary that are required to handle interethnic crime, and I think you're going to have to import some banks, as well. That's how the rest of the Balkans has found some decent financing. Austrian banks seem to be particularly active in this respect.

The judiciary will have international prosecutors, European prosecutors, and judges under the scheme that is now being put in place, with Pieter Feith as its head. But I don't think that we should exaggerate the problems. I checked, in preparing for this

hearing, how many Serbs had been killed by Albanians in the past 4 years, since the rioting in 2004. The number of confirmed murders of Serbs by Albanians since 2004 is one. There are maybe three or four other uncertain cases, where it's just not clear who the murderers were.

So we're not talking about an enormous problem here. We're talking about a serious problem that has to be dealt with by internationals.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Governor.

Senator VOINOVICH. Your attitude is that we tell Serbia this is the way it is going to be and it must do certain things on this road, and that perhaps the Ahtisaari Agreement gives more to Serbia than it should.

The truth is that I don't really believe that the Serbs participated as aggressively as they should have in the negotiations of the agreement because I think some of them felt that participation would equate to support for Kosovo. However, I believe that those who did negotiate the agreement tried to add as much as they could, assuming that independence was inevitable, and that therefore those components should be a part of the plan in order to ensure its success.

Most important, what should we continue to do for the Serbian people to show that we understand they are unhappy, but that we encourage them to embrace the future and support the instincts of President Tadic?

Mr. SERWER. I think that was intended for me, Senator.

Senator VOINOVICH. Well, I think it's for all three of the witnesses.

Mr. SERWER. Let me give it a start, then. I think we should remain very much in dialog with Serbia. I think we should be talking. I think we should be encouraging. I think we have provided a great deal of assistance. We should make it clear that we're prepared to provide more under certain conditions.

We should also provide absolutely maximum protection for Serbs in Kosovo. This is extremely important, not just to me personally, but also for American policy and frankly for the sake of Kosovo and the region as a whole.

The current situation, which has been fairly good, should not just continue, but should improve. Kosovo Serbs should genuinely feel that Kosovo is their home and that they are not just tolerated but welcome. And that they will eventually participate in governance there, as well.

Senator VOINOVICH. And the Ahtisaari Agreement has some pretty significant provisions?

Mr. SERWER. The Ahtisaari Plan, in that respect, has some significant provisions that have been discounted to zero by Belgrade, so far as I can tell. No one in Belgrade has stood up and said, "These provisions are of value to us."

That includes President Tadic, as well as Prime Minister Kostunica. That is not what they are saying in Belgrade these days. And we need to be there encouraging them to say these things.

I think we need to coordinate our policy much more effectively with the European Union than we have in the recent past. I think we should have a joint Serbia policy. We have not had a joint Serbia policy. I think we can achieve much more together than if we act separately.

Senator VOINOVICH. Do you think the Europeans understand how significant this undertaking is? And not only to the stability there, but to the future of Europe?

Mr. SERWER. I think they do, Senator, but I will tell you that the Europeans have a congenital problem, and that's 27 members. And it is very difficult for them to act decisively.

The reason the Americans end up in the leadership on Balkan's issues is not because we have more at stake in the Balkans, but because we can decide things more clearly, more effectively, than the Europeans can when they have to reach agreement of 27. And they are not going to reach a clear, compelling agreement at 27 without American leadership.

Senator VOINOVICH. Do the other witnesses agree with that?

Mr. BUGAJSKI. If I could just add, I fully agree. I think our hand needs to be outstretched, of course, to Serbia. Serbia belongs in all European and Transatlantic—

Senator VOINOVICH. I can tell you one thing, partnership between the Ohio National Guard and Serbia's military is one of the most robust state partnerships in that part of the world, Mr. Chairman, we had the same partnership with Hungary when I was governor.

The CHAIRMAN. Who are they voting for in the Primary?

Senator VOINOVICH. You sure know more about that than I do.

The CHAIRMAN. Maybe you can tell me that later.

Senator VOINOVICH. The Serbs may be boycotting the whole election. We have the International Military Education and Training Program and Foreign Military Funding there, which demonstrates that positive progress is going on.

Mr. BUGAJSKI. Yes, sir; I fully agree, and I think that many military personnel benefit from that cooperation in the security sector and may want closer cooperation with NATO, as we've seen in other countries in the region.

This is why I think NATO enlargement is critical, to demonstrate to Serbia that there is a path, if it does meet certain conditions. But I think we will probably have to wait until the new elections to see how the political forces shape up.

I would add one thing, though, in terms of what Dan has said. In addition to having a coherent policy toward Serbia, a Transatlantic policy with Serbia, we also need a coherent Transatlantic policy toward Russia. We need to demonstrate to Serbia exactly what Russia's objectives are.

The Russian energy business and political influences, which are being injected in the country and other parts of the Balkans, are actually negative, regressive, and detrimental to Serbia's progress toward NATO and the European Union, and will not allow them to meet the conditions for membership because they're based on corrupt business practices on shady transactions, on the lack of the rule of law, unwarranted political influence, and where elites benefit but the public doesn't.

Plus, of course, one must eventually have a common strategy on such questions as energy security between the United States and the European Union, vis-a-vis, Russia. I think all these questions are essential because most people in Serbia want to be part of Europe; although, they don't quite understand how EU institutions function, starting at the elite level, but second, there are also a lot of people who don't understand Russia.

In other words, this isn't Yeltsin's Russia, this isn't Gorbachev's Russia, this is what I call a Checklistocracy, Putin's Russia with or without Putin as President.

Senator VOINOVICH. Thank you.

Mr. VEJVODA. May I add a few words? Thank you very much. On the European Union, I think the European Union fully understands what this is all about, and that this is a very important test for their security policy, in general. And it's interesting to note, I think, and it's not raised very often, but the countries that have problems with recognition, like Spain or Greece or Bulgaria, they are all part of the EULEX mission. So they will all give judges, policemen, prosecutors, customs officials, and I think that's very telling about how they understand their responsibilities for the future, and ultimately, as you heard, it is the European taxpayer that will be footing this for many years to come.

So I think agreeing that the 27 members is the problem, that doesn't belie the fact that they understand their responsibility.

I would like to add that Serbia, the major investors in Serbia, over these 8 years have been the United States and the European Union. And, in fact, it is interesting to note that the major exporter from Serbia, the one that accounts for 12 percent of all of Serbian exports, is a company called U.S. Steel, worth \$660 million last year. And I think, again, one should read the situation by these hard facts of the economy, of military relationships, of the intentions of the Serbian public.

And finally, as far as European Union is concerned—and I don't know exactly what Janusz Bugajski meant about Serbia not understanding what the European Union is. Yes, clearly, the broad public opinion doesn't know all the niceties and complications of the *acquis communautaire*, but the Serbian administration has been valued by European Union negotiators.

It's probably the best negotiating team they have encountered throughout the enlargement process. And maybe even more importantly, one must not underestimate the number of contacts that all of the negotiating teams of the Balkan countries have on a daily basis.

Serbian negotiators speak to Zagreb, Croatian negotiators, the Slovenian negotiators, Montenegro negotiators call up their colleagues in Belgrade to ask them for tips about how to do certain things. So there's much more than meets the eye at the level of the regional cooperation on the road to Europe.

Senator VOINOVICH. Thank you.

The CHAIRMAN. Gentlemen, I'd like to follow up, and I don't want to hold my colleagues up. I know they have a lot to do. And I'm holding you up, as well, but if I could take just another few minutes.

If I could step back and let's all take off our foreign policy hats, where we're the "experts," I love how those of us who spend most of our life dealing with foreign policy, we make it all sound so complicated. And it is complicated. But it is not nearly as complicated as health care, to put it in perspective.

And I often kid with my sister, who's in the audience, who's smarter than me, and who's managed all my campaigns, that foreign policy is—I guess I've been around long enough I can say this—is little more than the logical extension of personal relationships without as much information to act on. And we make it so complicated.

Let me just try to step back. If I'm an ordinary American citizen, and I'm out there doing what I did before I became a Senator, and practicing law in the community. What about the following notion? That first of all, as our dear mother would say, "Time sometimes is healing."

The idea that the Serbs are going to in the near term accept, embrace, swallow, accommodate, whatever you want to call it—almost any Serbs—the independence of Kosovo and acknowledge it, is pretty remote.

But second, the people tend to sometimes know their self-interest better than their governments do, because they have less at stake in terms of self-interest. And that they all—not all—a significant portion of the Serbs see the future in Europe, not in Russia.

And they understand what a sea of oil money can do and how much that can increase influence; but nonetheless, they see their kids looking West, and not East.

And third, that maybe what we should do is not do much of anything, except really focus on what Senator Lugar is always pointing out correctly, that the real hard stuff is the institution-building. The really difficult stuff is making Kosovo viable. The really difficult part is not notwithstanding the interference and objections and troublemaking by Russia and by Serbia.

I spent—I haven't been there recently—but I spent a lot of time in Kosovo, a lot of time in the Balkans, you know, a dozen or more trips in and out. Matter of fact, my oldest son was there for—asigned there for years as a Justice Department representative, trying to help set up the criminal justice system.

But it's really hard going in Kosovo, even if Serbia wasn't being obstructionists. It's really sort of hard going setting up those institutions. We sort of glossed—you didn't—we sort of gloss over the extent of the corruption, that it is real, and that it is 90 percent Kosovar environment, this Albanian-accommodated environment, and not the country of Albania.

And so, what about the idea of us increasing our focus with our European friends on the institution-building in Kosovo, and making it clear through the European institutions that a partition of the northern part of Kosovo is just not going to be tolerated? And essentially, without even there being punitive or reaching out a hand, we just focus to Serbia? We just focused on those two things?

Respond to that, if you would, each of you, briefly.

Mr. SERWER. If I may, Senator, I agree with you entirely that building up institutions in Kosovo, and in Serbia, for that matter,

is a vital part of the solution here. It is a long-term effort. We should start it now, and keep our focus on it.

I'm a believer that you get where you want to go over time, only if you're pointed in the right direction. I don't think Serbia, at the moment, is pointed in the right direction. There's still a bit of a struggle for where Serbia will be pointed. But for right now, it's pointed in the direction of Russia. This is unfortunate. It is unfortunate for the United States, it's unfortunate for Kosovo, it's unfortunate for Serbia.

The CHAIRMAN. I've been very, very, very consistent and persistent, and I think maybe the first very harsh critic of Serbia, and the Serbian people in Serbia, and their put-upon notion that they're the victims of history, and so on. But I don't agree with that assessment that they are pointed toward Russia.

I think their present political leadership, on the one hand, part of it doesn't have the courage to run the risk of taking on the Prime Minister and a minority but controlling party.

It seems to me the starting premise is either that you think that things have changed so much since Milosevic in Serbia, as it relates to average Serbs thinking, that ultimately they can control their destiny through their institutions, including elections. Or you continue to conclude that they're all incredibly—not all—a vast majority incredibly susceptible to the age old appeal to virulent nationalism, and their Slavic connection with their Russian brothers.

I find myself starting accepting the former premise, not the latter premise. But—and you seem to operate on—I realize that I'm putting words in your mouth here, and so please don't let me do that. Correct me. But you seem to be operating on the premise that the political leadership is pretty much in sync with where the population is and that it has another trajectory of rejecting Europe and looking to Russia.

Mr. SERWER. Well, I do. They had opportunities to reject the course of the current leadership. They haven't taken those opportunities. I do believe, ultimately, I have the same confidence you have, in Serb citizens eventually to choose the European direction, which is rightfully theirs. But I don't think they're headed in that direction right now, and that's why I am concerned about providing the right incentives to shift them back to that direction. Because if we continue providing things without conditions, and I think that has been our policy since the fall of Milosevic, I'm just afraid they'll do what they've done so far, which I think is to pocket those concessions and not turn in the right direction.

So it's not that I lack confidence in the—

The CHAIRMAN. No, no. I—

Mr. SERWER [continuing]. Serbian people.

The CHAIRMAN. I understand.

Mr. SERWER. I have the same confidence you have, but I want it to happen as quickly as it can, and I think that giving the right incentives will help that to happen.

The CHAIRMAN. Gentlemen. Either one of you want to make a comment?

Mr. BUGAJSKI. Just to add, I think, the Serbian population is probably very confused and angered by the situation, but they're certainly not pro-Russian.

They are pro-European, although I would reiterate again, they need to understand better—not Europe, but the institutions of Europe—

The CHAIRMAN. Yes.

Mr. BUGAJSKI [continuing]. Including the elite. It took a long time for the new members to understand how the EU operates. And if Serbia is a good negotiating partner with Europe, it's not only a question of institution building, but a question of institution joining. But that's a long-term process.

The CHAIRMAN. Yes.

Mr. BUGAJSKI. Hopefully at the next elections in Serbia, a clearer choice will be made by parties on exactly what they have to propose for Serbia's future, without continuously harking back to Kosovo.

The CHAIRMAN. I think you're right. Look, I mean, politics is about—I know the old bad joke, "It's all local."

I mean, the truth of the matter is that, ironically—and far be it from me, I can't predict American elections, let alone elections in other countries—but you have taken away, in a de facto sense, the continued Serb dominance of Kosovo, or Kosovo being a part of Serbia. When that's off the table, all of a sudden these nationalist parties have to start talking about jobs, and bread, and opportunity, and a lot of other things that I think change the dynamics.

That's assuming that it's not escalated to the next point, that the next issue is the independence of northern Kosovo along the river. There are two things that I'm beginning to think about: We should be focusing much more on making sure Kosovo is viable and survives economically and politically, and grows, and learns, which as you point out, is a difficult lesson for every one of these countries to have learned so far.

In the expansion NATO and the expansion European Union, that there are conditions. They ain't easy. It's not like, "I want to join, and they'll be happy to have me."

And as long as part of that equation is, it's absolutely clear that there is a red line, in terms of the partitioning of Kosovo.

But I—let me ask you to conclude, sir. I'm keeping you all too long. If you'd comment a little bit on what we've been talking about.

Mr. VEJVODA. Thank you, Mr. Chairman. Well, I have several things to say. Of course, as I've said before, I disagree with the statement that Serbia somehow is turning toward Russia. This is a moment in history where simply Russia took a stand, and was aligned with the rejection of Serbia to lose its formal sovereignty over Kosovo.

And I think one shouldn't underestimate the difficulty of the society and the stake in fronting the fact of formally losing, even though it practically lost sovereignty in 1999, and one doesn't need to recall the 1816 in the United States, and successions in other parts of the world.

These are things that remain with the people, whether it's the Spanish Civil War or other things, and of course it will remain part of the emotions and the culture of a nation. It's a whole other thing how a state and a government deals practically with the decision that has happened.

And we are in the first, as I said, 2 weeks, 3 weeks of this. And I think we should, as you said, give it time, and of course Serbia does not have time, and we—many of us who have fought against Milosevic even from the eighties—know how much time we have lost. It will be 20 years since the fall of the Berlin Wall next year.

And simply, it gives me shudders to think that we're still not locked in fully as a candidate and negotiating on new membership. That will happen. I have talked to French officials. They are very keen to push very hard. That as soon as they take over the EU President on July 1 to start pushing this issue, to maybe get that candidacy for Serbia at the end of the year.

Clearly, Serbia has to do its homework. There's no free lunch out there. But I think we have gauge the tools and the bluntness of the tools as we try to reach our goal of locking in the whole of the region, and in particular Serbia, into the Euroatlantic fold.

The CHAIRMAN. Well, gentlemen, you've given us a lot to think about. You're a very impressive panel. This is a work-in-progress, to say the least. I must tell you, I've been amazed by how your expectations affect your view.

But I've been mildly encouraged, mildly, that 2 weeks out, things are not worse than they are. And so, but with your permission I'd like to submit a couple more questions in writing to you. I'm not trying to make work for you; I know how busy you all are.

And I also suggest that we're not—this is not the single hearing and we're having and we're walking away. We're going to come back to this issue, as well as explore other aspects of it. And we may ask you to come back. I hope you will.

But again, thank you, for your time, your effort, and your input. It's been very valuable.

Mr. SERWER. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

We're adjourned.

[Whereupon, at 11:56 a.m., the hearing was adjourned.]

## APPENDIX

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### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

#### PREPARED STATEMENT OF HON. JOHN BARRASSO, U.S. SENATOR FROM WYOMING

Thank you, Mr. Chairman. The issue before us today is certainly complicated and one in which different ethnic communities and now States must compromise.

The history of Kosovo in the 20th century is tragic. Ethnic tensions and the brutality of Slobodan Milosevic's regime caused immense suffering and death.

Today, ethnic tensions continue to disrupt the lives of both ethnic Albanian and Serbian communities. As we all know, Kosovo declared its independence from Serbia on February 17, 2008, and the United States recognized Kosovo as an independent State.

The outcome of Kosovo's declaration of independence is unclear. However, it has an important role in the future of the Balkans region. We must now carefully consider what United States obligations will entail for our future involvement and relationship with Kosovo.

I appreciate the testimony we heard today from our distinguished guests.

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#### REMARKS OF VUK JEREMIC, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF SERBIA, BEFORE THE COMMITTEE OF THE EUROPEAN PARLIAMENT, STRASBOURG, FEBRUARY 20, 2008

Dear Mr. Chairman, distinguished MEPs, Your Excellencies, ladies and gentlemen, I stand before you this afternoon as a proud European, and as an ashamed European.

Proud because my heritage, my culture, my beliefs, and my history bind me to a constellation of nations that, at the onset of the 21st century, reconciled themselves, and created something so magnificent that one could say: "there has truly never been anything else like it in the history of the world."

Winston Churchill equated the feeling I am trying to describe to you with a "sense of enlarged patriotism." That was his vision of Europe, and Jean Monet's vision of Europe, and Konrad Adenauer's vision of Europe. It is a vision I proudly share. For the peoples of Europe, between whom rivers of blood have flowed without mercy, chose to end the feuds of a thousand years. And they sought to eliminate from their shores a zero-sum approach to the conduct of regional politics.

How could I not be proud? How could I not, until just a few days ago, without the faintest shadow of a doubt, support the aspirations of my country to join the European Union, and therefore welcome the EU's commitment to the incorporation of Serbia and all the western Balkans within its welcoming boundaries?

But I am also a deeply ashamed European. Tacitus wrote: *Deserta faciunt et pacem appellant*: "They create a desolation and they call it peace." That is what some European Union countries have done to the Republic of Serbia, to a small, peace-loving, democratic country in Europe, a founding member of the United Nations, an original signatory to the Helsinki Final Act, and a pillar of stability in Southeast Europe.

Creating desolation out of the promise of a European future. This is what the governments of some of your countries have done by recognizing the unilateral, illegal, and illegitimate declaration of independence of the Provisional Institutions of Self-Government of Serbia's southern province of Kosovo and Metohija.

Ladies and gentlemen, I am ashamed not as a Serb—for in the negotiating process on the future status of our province of Kosovo, we did nothing but demonstrate good faith and understanding for the legitimate rights of the other side. In fact, since the democratic overthrow of the regime of Slobodan Milosevic in October 2000, we have done almost everything right. We have overcome almost every obstacle. We have fulfilled almost every condition. We have embraced almost every standard. And

we have taken on every challenge to our future with an optimism that thinkers like Alexis de Tocqueville thought had departed the Old Continent long ago.

I am ashamed as a European. As someone who knows in his heart that what has been done to Serbia is a fundamental violation of the very nature of not just the international system, but of the values that hold up the European construction.

I am ashamed, because if recognizing this act of ethnically motivated secession from a democratic, European state is not wrong, then nothing is wrong.

I am ashamed, because I see how the bedrock of values that make us who we are is being trampled underfoot. Because I see how my fellow Europeans are trying to construct the future on a foundation of sand and rubble.

And I am ashamed, because for all the talk about reason and enlightenment, for all the pious declinations on the common good and solidarity, Europe is rapidly becoming just another place where might makes right.

Some may say I have exaggerated. Well, let us turn to the matter at hand.

The institution with primary responsibility to maintain international peace and security is, according to the United Nations Charter, the Security Council. And, in 1999, following the 78-day bombing of my country, it adopted a resolution—still operative today—that conferred upon the U.N. the authority to administer Serbia's southern province of Kosovo, and explicitly and unambiguously reaffirmed the sovereignty and territorial integrity of my country. When Serbia was ruled by a tyrant, Kosovo was a confirmed part of Serbia.

It said so in Security Council Resolution 1244. And it went further than that. It placed a Chapter VII obligation—a binding obligation—on all the Member States of the United Nations to respect the borders of my country.

And now, when Serbia is a democracy, some European nations are prepared to recognize Kosovo as an independent state. They say, in effect, we did not punish the tyrant, but now we will punish a democracy—a European democracy—and we expect its citizens to take it.

They say Kosovo can be independent, while saying that 1244 in its entirety still applies, including, presumably, that part that reaffirms Serbian sovereignty over Kosovo. And they send an EU-led mission to our province without the approval of the Security Council, even though paragraphs 5 and 19 of 1244 make it abundantly clear that only the Security Council can do that.

And yesterday, at an emergency session of the Permanent Council, no European Ambassador could explain to anyone with any degree of reason why what is being done to Serbia is not a violation of the core principles of the Helsinki Final Act.

They could not explain to me why what they are doing is not setting a dangerous, precedent that will create very troubling consequences to the stability of Europe and the whole world.

Recognizing the unilateral declaration of Kosovo's independence from Serbia legitimizes the doctrine of imposing solutions to ethnic conflicts.

It legitimizes the act of unilateral secession by a provincial or local entity.

It transforms the right to self-determination into an avowed right to independence.

It legitimizes the forced partition of internationally recognized, sovereign states.

And it violates the commitment to the peaceful resolution of disputes in Europe.

It even resurrects the discredited cold-war doctrine of limited sovereignty.

By the actions of some European Union Member States, every would-be ethnic or religious separatist across Europe and around the world has been provided with a tool kit on how to achieve recognition. Does anyone in this room think that the Kosovo Albanians are the only group in the world with a grievance against their capital?

Do any of you honestly think that just by saying that Kosovo is *sui generis*, you will make it so? That there will be no consequences to the stability and security of the international system, just because you say it won't?

Is this the way proud Europeans behave? Is this the way European values are put into practice? Is this the way to treat friends?

Ladies and gentlemen, notwithstanding everything I have witnessed and all that my country has gone through, I have not lost faith in Europe, even though I am ashamed by the actions of some within it.

I have not lost faith in Europe because I still hold out a measure of hope that Europe will live up to its values; that Europe will pause for a moment and recall the principles that drive its own decisionmaking in Brussels and Strasbourg. I'm talking about compromise, concession, and consensus-building. That's how it works: By engaging in a process of deliberate, patient, and sustained, good-faith negotiations until a compromise is struck that all stakeholders can abide by.

In the case of Kosovo's future status, only a solution that is acceptable to the sides can be viable, sustainable, and lasting.

Only a negotiated solution can pave the way toward a common, European future. Only such a solution can consolidate the regional gains made, reinforce the geostrategic priorities achieved, and restore the drive for change in Southeast Europe.

The imposition of a one-sided outcome—the recognition of an independent Kosovo—does the opposite. It sets back the achievements of European visionaries in our region; it uncouples the western Balkans from its future in Europe; and it fosters a view throughout the region that Europe is in the business of imposing outcomes.

This is where we are. It's a shameful place to be. And it's not where we should be.

Where we are is at the precipice, facing down into the shadows of uncertainty. Uncertainty over the future of the western Balkans. Uncertainty over democracy in Serbia. Uncertainty over the safety of the Kosovo Serbs. And uncertainty over the fate of our holy sites—the central element of our national identity.

Yet we also face forward. We can see beyond the break, and beyond the discord. We can still see Europe for what it is, for what it can become, for what it can accomplish. But also for what it can harm: The dreams of a proud, democratic, European country that has surmounted more obstacles since October 2000 than most other nations have in a hundred years.

Ladies and gentlemen, I assure you, with the fortitude of a unified nation, Serbia will not go quietly. We shall strive for what is just, for what we believe in, for our future, for what is rightfully ours.

The Republic of Serbia shall not tolerate this illegal act of secession. Our Government and National Assembly have declared this action by the authorities in Pristina null and void. And we shall undertake all diplomatic and political measures designed to impede and reverse this direct and unprovoked attack on our sovereignty.

As a responsible member of the international community committed to the peaceful and negotiated resolution of disputes, the Republic of Serbia will not resort to the use of force. For violence cannot bring a peaceful settlement to any crisis. Violence only destroys—lives, property, hope, ambitions. It destroys everything and creates desolation.

