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Kosovo and U.S. Policy

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Summary

In 1998 and 1999, the United States and its NATO allies attempted to put an end to escalating violence between ethnic Albanian guerrillas and Yugoslav/Serb forces in Yugoslavia's Kosovo province. These efforts culminated in a 78-day NATO bombing campaign (Operation Allied Force) against Serbia from March until June 1999, when then-Yugoslav leader Slobodan Milosevic agreed to withdraw his forces from the province. Since then, Kosovo has been governed by a combination of U.N. and local Kosovar governing structures. The U.N. Mission in Kosovo (UNMIK), under the terms of U.N. Security Council Resolution 1244, retains ultimate political authority in the province. A NATO-led peacekeeping force, KFOR, is charged with providing a secure environment. In May 2001, UNMIK issued a "Constitutional Framework" for Kosovo that provided for an elected provisional legislature and government with limited powers but did not address Kosovo's final status. Elections for the first Kosovo assembly were held on November 17, 2001, and a Kosovo government was formed in March 2002. New elections held on October 23, 2004, were mostly boycotted by Kosovo's minority Serb population.

UNSC Res. 1244 calls for Kosovo's final status to be considered at an undetermined time after an autonomous government is in place. Almost all ethnic Albanians want independence for Kosovo; Serbs say it should remain within Serbia. In late 2003, the international community agreed to review Kosovo's progress in meeting international "standards" and consider next steps in determining Kosovo's future status by mid-2005. The sudden outbreak of widespread anti-Serbian riots in March 2004, the worst inter-ethnic violence experienced in Kosovo since 1999, set back progress in many areas and called into question the effectiveness of international policy on Kosovo. Nevertheless, the mid-2005 review of the Kosovo Standards remains on course as the current approach of the international community.

Bush Administration officials have said that they support autonomy for Kosovo within Serbia or the Serbia-Montenegro union, but not independence. After the September 11, 2001 terrorist attacks in the United States, U.S. forces in the Balkans were scaled back for the war on terrorism and later for the war in Iraq, but not withdrawn entirely. The United States has reduced its troop levels in KFOR (to about 1,800 by late 2004) in accordance with cuts in overall KFOR troop strength. In late 2004, NATO countries agreed to maintain KFOR's current force strength (about 18,000 troops) for the time being.

In 1999, Congress neither explicitly approved nor blocked U.S. participation in NATO air strikes against Serbia, but appropriated funds for the air campaign and the U.S. peacekeeping deployment in Kosovo. In 2000, several Members unsuccessfully attempted to condition the U.S. military deployment in Kosovo on congressional approval and on the implementation of aid pledges made by European countries. Since 1999, Congress has provided funding for reconstruction in Kosovo, but limited U.S. aid to 15% of the total amount pledged by all countries. In the 108th and 109th Congresses, several resolutions were introduced that supported independence for Kosovo. This report will be updated as events warrant.

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Most Recent Developments

In 2005, Kosovo and the international community will face an impending deadline by mid-year to review Kosovo's progress toward achieving several standards of governing competence, and possibly decide on the next steps in determining the future of Kosovo's disputed political status. Kosovo's Albanian majority leadership seeks full independence, while the Serb minority in Kosovo and Serbian government in Belgrade oppose it. The Standards Review policy, formulated in late 2003, remains the established policy approach of the international community, despite the considerable setback experienced during the violent events of mid-March 2004. In the worst inter-ethnic flare-up since the end of the 1999 Kosovo war, ethnic Albanian crowds attacked several ethnic Serb enclaves, as well as international security forces trying to control the demonstrations. In the course of two days in March and involving over 50,000 persons in at least 30 separate incidents, 19 civilians were killed, more than 900 persons were injured, and over 4,000 displaced from the violence. The U.N. Mission in Kosovo (UNMIK) also reported that the riots resulted in the destruction of or serious damage to about 30 churches and monasteries, 900 homes, and 150 vehicles. In response to the violence, NATO swiftly deployed an additional 3,000 peacekeeping forces to its Kosovo Force (KFOR), whose presence worked to restore calm. However, the scale and breadth of the violence appeared to catch the international security forces by surprise and exposed a range of structural weaknesses.

The events of March 2004 have led some to question the Standards policy, as well as prospects for the peaceful coexistence of Kosovo's majority ethnic Albanian and minority Serb populations. The Serbian government and parliament developed a plan to decentralize Kosovo and give the Serb minority self-governing autonomy. In July, a U.N. assessment team led by Norwegian diplomat Kai Eide recommended that the lengthy list of Standards be replaced with a "dynamic, priority-based standards policy" to pave the way for status discussions and future European integration. However, U.N. Secretary-General Annan and new UNMIK chief Soren Jessen-Petersen have defended the Standards policy, while identifying urgent priority Standards relating to security and minority rights. Jessen-Petersen has warned that violent provocations may increase as the anticipated mid-year Standards Review approaches.

Kosovo held its second parliamentary elections on October 23, 2004. While the vote was widely viewed to be free and fair, the Serb minority carried out a near total boycott in protest of their plight since the March riots. A new coalition government was formed between the leading Democratic League of Kosovo (LDK) and Alliance for the Future of Kosovo (AAK). AAK leader Ramush Haradinaj became Prime Minister, but some speculate that he has or soon will come under investigation by the

International Criminal Tribunal for the Former Yugoslavia (ICTY) for his role as commander of rebel Albanian forces during the 1998-1999 conflict.

Congress may take up the issue of Kosovo independence in the 109th Congress. On January 4, 2005, Representative Lantos introduced H.Res. 24, which expresses the sense of the House that the United States should support Kosovo's independence.

Introduction

In 1998 and 1999, the United States and its NATO allies attempted to put an end to escalating violence between ethnic Albanian guerrillas and Yugoslav forces in the Federal Republic of Yugoslavia's Kosovo region. They were outraged by Serb atrocities against ethnic Albanian civilians, and feared that the conflict could drag in other countries and destabilize the region. These efforts culminated in a 78-day NATO bombing campaign against Serbia from March to June 1999. Yugoslav leader Slobodan Milosevic agreed to withdraw his forces from the province in June 1999, clearing the way for the deployment of U.S. and other NATO peacekeepers. While NATO's action ended Milosevic's depredations in Kosovo, it has left U.S. and other Western policymakers with many difficult issues to deal with. These include creating the conditions for the resumption of a normal life in Kosovo, including setting up an autonomous government and reconstruction of the province, as well as dealing with the thorny issue of Kosovo's final status. Additional challenges emerged after the deployment, including the rise of ethnic Albanian guerrilla movements in southern Serbia and Macedonia, which threatened to destabilize the region before they were dismantled in 2001.

U.S. engagement in Kosovo has been controversial. Proponents of engagement say that instability in Kosovo could have a negative impact on the stability of the Balkans and therefore of Europe as a whole, which they view as a vital interest of the United States. They believe instability in the region could produce an environment favorable to organized crime and terrorism. In addition, they claim that such instability could deal a damaging blow to the credibility and future viability of NATO and Euro-Atlantic cooperation. They say the involvement of the United States is critical to ensuring this stability, because of its resources and political credibility.

Critics, including some in Congress, say that the situation in Kosovo does not have as large an impact on vital U.S. interests as other issues, particularly the war on terrorism in the wake of the September 11 terrorist attacks on the United States and the war in Iraq. They say that the Kosovo mission harms the readiness of U.S. forces to deal with these more important contingencies. They see the mission in Kosovo as an ill-advised, open-ended exercise with unclear objectives. They call on European countries to take on the whole burden of the peacekeeping mission. Both congressional advocates and opponents of U.S. engagement insist that the Europeans pay the lion's share of reconstruction aid to Kosovo. Reflecting increased international focus on the global anti-terrorism campaign, there appears to be growing interest in establishing a roadmap for "finishing the job," including an eventual "exit strategy" for the international civil and military administration of Kosovo.

War in Kosovo: February 1998-June 1999

Kosovo At a Glance

Area: 10,849 sq. km., or slightly smaller than Connecticut

Population: 1.956 million (1991 Yugoslav census)

Ethnic Composition: 82.2% Albanian; 9.9% Serbian. Smaller groups include Muslims, Roma, Montenegrins, Turks and others. (1991 Yugoslav census)

Although the war in Kosovo had deep historical roots, its immediate causes can be found in the decision of Milosevic regime in Serbia to eliminate the autonomy of its Kosovo province in 1989. The regime committed widespread human rights abuses in the following decade, at first meeting only non-violent resistance from the province's ethnic Albanian majority. However, in 1998 ethnic Albanians calling themselves the Kosovo Liberation Army began attacks on Serbian police and Yugoslav army troops. The Milosevic regime responded with increasingly violent and indiscriminate repression. From February 1998 until March 1999, conflict between the ethnic Albanian Kosovo Liberation Army (KLA) and Serb forces (as well as Serb attacks on ethnic Albanian civilians) drove over 400,000 people from their homes and killed more than 2,500 people.

The United States and other Western countries used sanctions and other forms of pressure to try to persuade Milosevic to cease repression and restore autonomy to Kosovo, without success. The increasing deterioration of the situation on the ground led the international Contact Group (United States, Britain, France, Germany, Italy and Russia) to agree on January 29, 1999 on a draft peace plan for Kosovo. They invited the two sides to Rambouillet, near Paris, to start peace talks based on the plan on February 6. As an inducement to the parties to comply, on January 30 the North Atlantic Council agreed to authorize NATO Secretary-General Javier Solana to launch NATO air strikes against targets in Serbia, after consulting with NATO members, if the Serb side rejected the peace plan. NATO said it was also studying efforts to curb the flow of arms to the rebels. The draft peace plan called for three-year interim settlement that would provide greater autonomy for Kosovo within Yugoslavia, and the deployment of a NATO-led international military force to help implement the agreement. On March 18, 1999, the ethnic Albanian delegation to the peace talks signed the plan, but the Yugoslav delegation rejected it.

NATO began air strikes on the Federal Republic of Yugoslavia on March 24, 1999. Yugoslav forces moved rapidly to expel most of Kosovo's ethnic Albanians from their homes, many of which were looted and burned. A December 1999 State Department report estimated the total number of refugees and displaced persons at over 1.5 million, over 90% of Kosovo's ethnic Albanian population. The report said that Yugoslav forces killed about 10,000 ethnic Albanians, and abused, tortured and raped others. After 78 days of increasingly intense air strikes that inflicted damage on Yugoslavia's infrastructure and its armed forces, President Milosevic agreed on June 3 to a peace plan based on NATO demands and a proposal from the Group of

Eight countries (the United States, Britain, France, Germany, Italy, Canada, Russia and Japan). It called for the withdrawal of all Yugoslav forces from Kosovo; the deployment of an international peacekeeping force with NATO at its core; and international administration of Kosovo until elected interim institutions are set up, under which Kosovo will enjoy wide-ranging autonomy within Yugoslavia. Negotiations would be eventually opened on Kosovo's final status.

On June 9, 1999, NATO and Yugoslav military officers concluded a Military Technical Agreement governing the withdrawal of all Yugoslav forces from Kosovo. On June 10, the U.N. Security Council approved UNSC Resolution 1244, based on the international peace plan agreed to by Milosevic. KFOR began to enter Kosovo on June 11. The Yugoslav pullout was completed on schedule on June 20. On June 20, the KLA and NATO signed a document on the demilitarization of the KLA. (For historical background to the conflict in Kosovo, see CRS Report RS20213, *Kosovo: Historical Background to the Current Conflict*. For chronologies of the conflict in Kosovo, see *Kosovo Conflict Chronology: January-August 1998*, CRS Report 98-752 F; *Kosovo Conflict Chronology: September, 1998 — March, 1999*, CRS Report RL30127; and the daily Kosovo Situation Reports collections for April (CRS Report RL30137), May (CRS Report RL30156), and June 1999 (CRS Report RL30191).

Within weeks of the pullout of Yugoslav forces from Kosovo and the deployment of NATO-led peacekeeping force KFOR, the overwhelming majority of ethnic Albanian refugees returned to their homes. At the same time, over 200,000 ethnic Serbs and other minorities living in Kosovo left the province, according to the U.N. High Commissioner for Refugees. International officials estimate the number of Serbs living in Kosovo at about 100,000. Many of the Serbs remaining in the province live in northern Kosovo, many in or near the divided town of Mitrovica. The rest are scattered in isolated enclaves in other parts of the province, protected by KFOR troops. A key reason for the departures is violence and intimidation by ethnic Albanians. Kosovo Serbs say that since the pullout of Yugoslav forces, over 1,100 were killed and over 1,000 are missing. Hundreds of houses of Serb refugees have been looted and burned.

Current Situation in Kosovo

Since June 1999, Kosovo has been ruled by the U.N. Mission in Kosovo (UNMIK). According to U.N. Security Council Resolution 1244, UNMIK is tasked with gradually transferring its administrative responsibilities to elected, interim autonomous government institutions, while retaining an oversight role. In a final stage, UNMIK will oversee the transfer of authority from the interim autonomous institutions to permanent ones, after Kosovo's final status is determined.

Kosovo took the first steps in establishing its own elected institutions on October 28, 2000, when OSCE-supervised municipal elections were held. Most of the parties running in the election differed little from each other on ideological grounds, and are based more on personal loyalties and clan and regional affiliations. The biggest of several parties to be formed from the ex-KLA is the Democratic Party of Kosovo (PDK), headed by Thaci. Another significant, although smaller, ex-KLA

group is the Alliance for the Future of Kosovo (AAK), led by Ramush Haradinaj. A third key political force in the province is Democratic League of Kosova (LDK), headed by Ibrahim Rugova.

The LDK was by far the ethnic Albanian largest party before the war, but it began to lose ground after what some ethnic Albanians viewed as a passive stance during the war. However, the behavior of some ex-KLA leaders since the war, including organized crime activity and violence against ethnic Albanian political opponents, resulted in an improvement in the "more civilized" LDK's standing. The LDK won 58% of the vote province-wide, the PDK 27.3%, the AAK, 7.7%. Kosovo Serbs boycotted the vote, charging that UNMIK and KFOR have been ineffective in protecting them from ethnic Albanian violence. They claimed that UNMIK and KFOR are working toward the establishment of an independent Kosovo, which they oppose.

After consultation with local leaders, UNMIK issued a Constitutional Framework for Provisional Self-Government in Kosovo in May 2001. The Constitutional Framework called for the establishment of a 120-seat legislature, which elects a President and a Prime Minister. Twenty seats were reserved for ethnic minorities, including 10 for Serbs, but Serbs do not have a veto power on laws passed by the ethnic Albanian majority in the body. UNMIK retains oversight or control of policy in many areas, including law enforcement, the judiciary, protecting the rights of communities, monetary and budget policy, customs, state property and enterprises, and external relations. UNMIK can invalidate legislation passed by the parliament if it is in conflict with U.N. Security Council Resolution 1244. KFOR remains in charge of Kosovo's security. The Constitutional Framework does not address the question of Kosovo's final status.

Leaders of ethnic Albanian parties voiced disappointment that the document did not allow for a referendum to decide Kosovo's final status. They also said that the Constitutional Framework gives Kosovars the illusion of self-rule rather than the reality, since it reserves many key powers for UNMIK. Kosovo Serb leaders condemned the Constitutional Framework, saying it paved the way for Kosovo's independence and did not contain a mechanism to prevent the ethnic Albanian-dominated legislature from abusing the rights of Serbs.[1]

On November 17, 2001, voters in Kosovo and displaced persons residing outside of the province went to the polls to select the Assembly. The moderate Democratic League of Kosovo (LDK in Albanian) won 47 seats. The nationalist Democratic Party of Kosovo (PDK), the largest party formed from the former Kosovo Liberation Army, won 26 seats. Return, a coalition of Serbian parties, won 22 seats. The Alliance for the Future of Kosovo (AAK), an ex-KLA party that has tried to position itself as a pragmatic force, won 8 seats. Four small ethnic Albanian parties won one seat each. The remaining 13 seats were won by parties representing the Bosniak, Turkish and Roma communities. In contrast to their boycott of the 2000 local elections, Kosovo Serbs turned out in substantial numbers to vote in the

[1] The text of the constitutional framework can be found at [http://www.unmikonline.org/constframework.htm]

November 2001 legislative elections. Turnout in Serb-majority areas was about 47%, according to the OSCE, while turnout in Serbia and Montenegro was about 57%. (This compares with a turnout of about 67% in Albanian-majority areas).

After months of political wrangling, the Assembly chose a President and a government in March 2002. LDK leader Ibrahim Rugova was elected as President. Kosovo's Prime Minister is Bajram Rexhepi of the PDK. The government consisted of members of the LDK, PDK and AAK. One cabinet post was reserved for a Kosovo Serb representative and another for a member of a non-Serb minority group. The Kosovo Serbs initially refused to join the government, saying they wanted greater representation, but finally agreed to do so in May 2002, after UNMIK agreed to appoint a Kosovo Serb as an advisor on refugee returns.

Kosovo held its second local elections on October 26, 2002. Turnout for the vote was 54%, lower than in the previous two elections. Observers attribute the low turnout to disillusionment with the performance of the government and political parties in Kosovo. The LDK confirmed its status as the leading party in Kosovo, but lost ground compared to previous elections. The LDK won 45% of the vote, the PDK 29%, and the AAK 8.55%. Serb turnout was particularly low, at about 20%. Almost no Serbs voted in the troubled northern town of Mitrovica, where local authorities intimidated potential voters. Among those Serbs who did vote in the elections, the moderate Povratak (Return) coalition did poorly, while hard-line parties did well. These results may indicate continuing Serb dissatisfaction with their situation in Kosovo, and with the failure of Serb moderates to improve it.

Kosovo held parliamentary elections on October 24, 2004. The results were largely in line with previous votes. The LDK won 45.4% of the vote, and 47 seats in the 120 seat legislature. The PDK won 28.9% and 30 seats. The AAK won 8.4% of the vote and 9 seats. A new ethnic Albanian party, ORA, led by publisher Veton Surroi, won 7 seats, while four other ethnic Albanian parties split five seats. Turnout for the election was 53.57%. Very few Kosovo Serbs voted in the elections, responding to a call by Serbian Prime Minister Vojislav Kostunica to boycott the election. Two Serbian groups which did participate in the elections will receive the ten seats reserved for the Serbian community in the legislature, but it is questionable whether they genuinely represent Serbian sentiment in Kosovo. Ten other seats are set aside for other ethnic communities in Kosovo.

On December 2, 2004, AAK leader Ramush Haradinaj was elected Prime Minister of Kosovo by the new Kosovo parliament. The new government is composed of a coalition between the AAK and LDK. The PDK, a key part of the previous government, is now in opposition. Haradinaj's nomination was controversial, due to concerns of EU and other international officials that he could be indicted by the International Criminal Tribunal for the Former Yugoslavia for war crimes allegedly committed when he was a rebel leader. Haradinaj and his supporters deny any wrongdoing.

An important issue in Kosovo has been the status of ethnic Albanian prisoners in Serbian jails. A February 2001 amnesty law led to the release of many of those jailed, although about 200 persons remained imprisoned. About half of the group

were common criminals, while the other half were convicted of "terrorism." Belgrade released this final group of prisoners into UNMIK's custody in March 2002.

Many analysts view the progress made in Kosovo since June 1999 as mixed. Kosovo has had the most free and fair elections in its history, and has set up autonomous institutions. Violence against political opponents and minorities has declined, but continues to occur. Little progress has been made in returning Serb refugees to their homes, and crimes involving property and business interests continue to be a problem. Kosovo is a center for prostitution, human trafficking, drugs and weapons smuggling, money laundering, and other illegal activities. Official corruption (reportedly including UNMIK representatives in some cases) is a serious problem. International reconstruction aid has helped rebuild much of the infrastructure destroyed in the war, but the economy is largely unreformed and suffers from low foreign investment and high unemployment.

March 2004 Inter-Ethnic Violence

Accusations that local Serbs were responsible for the drowning death of two ethnic Albanian boys near the divided city of Mitrovica erupted into violent demonstrations and attacks on several ethnic Serb enclaves throughout the province. Large crowds of ethnic Albanians came out in droves and set fire to Serb homes, churches and property in several cities. U.N. and NATO personnel evacuated some ethnic Serbs to protected enclaves but could not hold back the crowds or counter the destruction. The two days of violence on March 17-18, 2004, constituted the worst flare-up of inter-ethnic violence since the end of the 1999 Kosovo war. According to UNMIK, the two-day period resulted in the death of 19 civilians, injuries to more than 900 persons, including international peacekeepers, and the displacement of over 4,000 persons, mainly Serbs, from their homes. In addition, about 30 churches and monasteries, 800 houses, and 150 vehicles were destroyed or seriously damaged. U.N. and other international officials said that the attacks came about in part spontaneously, and in part as a result of an orchestrated campaign by extremist forces. Some referred to the attacks as "ethnic cleansing." The U.N. estimates that tens of thousands of persons participated in dozens of violent incidents in the two-day period.

The Issue of Kosovo's Final Status

The formation of Kosovo's elected government in March 2002 marked an important step forward in the international community's efforts to stabilize the province. However, the issue of Kosovo's final status remains unclear. U.N. Resolution 1244 reaffirmed the sovereignty and territorial integrity of the Federal Republic of Yugoslavia (FRY) and did not prescribe or prejudge a permanent political resolution to the issue of Kosovo's status. Ethnic Albanians in Kosovo strongly favor independence of the province from the FRY and its international recognition as a sovereign state as soon as possible. Kosovo's independence is strongly opposed by the United States and other Western countries, as well as by all of Kosovo's neighbors, except Albania. They fear that an independent Kosovo could

destabilize the region by encouraging separatist ethnic Albanian forces in Macedonia, as well as Serbia's Presevo Valley, where many ethnic Albanians live.

In 2002, UNMIK chief Michael Steiner outlined a series of benchmarks of international expectations for Kosovo's institutions and society, and argued that they should be achieved before the issue of Kosovo's final status is discussed. The policy has been dubbed "standards before status." Kosovar Albanians have expressed irritation with the benchmarks concept, in particular the idea that their fulfillment should be a precondition to addressing the status question. They believe this approach is designed to block their aspirations for independence indefinitely. Moreover, they claim that the Constitutional Framework does not give them enough authority to achieve the benchmarks, especially in the area of law and order.

Some experts have expressed skepticism about the feasibility of the international community's efforts to postpone clarification of the final status issue to an indefinite future. They believe that it is unrealistic to try to ignore the clearly expressed desire of the overwhelming majority of the population of Kosovo on the issue that they see, rightly or wrongly, as most important to them. Some also believe that the uncertainty created by postponing the resolution of this issue could have a negative impact on Kosovo's political and economic stability. Indeed, some Kosovars claim that continued uncertainty over Kosovo's ultimate future has had a negative impact on such issues as rule of law, privatization and attracting foreign investment. Moreover, the international community is increasingly preoccupied with other global challenges, and may seek to move forward on the issue of a final settlement in order to begin to wind down the international peacekeeping mission in Kosovo.

In November 2003, U.S. Under Secretary of State Marc Grossman announced, with the support of the other members of the international Contact Group (Britain, France, Germany, Italy, and Russia), a formal review in mid-2005 on Kosovo's progress toward meeting the standards. If in the judgement of the Contact Group, the U.N. Security Council and other interested parties, this progress is "sufficient," a process to determine the province's status may begin. UNMIK released a highly detailed "Standards Implementation Plan" on March 31, 2004.

The events of March 2004 have led some to question the Standards policy, as well as prospects for the peaceful coexistence of Kosovo's majority ethnic Albanian and minority Serb populations. The Serbian government and parliament developed a plan to decentralize Kosovo and give the Serb minority self-governing autonomy. In July, a U.N. assessment team led by Norwegian diplomat Kai Eide recommended that the lengthy list of Standards be replaced with a "dynamic, priority-based standards policy" to pave the way for status discussions and future European integration. However, U.N. Secretary-General Annan and new UNMIK chief Soren Jessen-Petersen have defended the Standards policy, while identifying urgent priority Standards relating to security and minority rights. Jessen-Petersen has warned that violent provocations may increase as the anticipated mid-year Standards Review approaches.

Serbian Views

The Serbian government, as well as Kosovo's Serbs, are strongly opposed to Kosovo's independence. Although the democratic leadership in Belgrade is not pleased with the loss of effective Serbian control over the province enshrined in UNSC Res. 1244, it views positively the resolution's support for at least nominal FRY sovereignty over the province. Serbian officials have tended to sharply criticize efforts by UNMIK to implement those parts of UNSC Res. 1244 that call for the handover of powers to autonomous Kosovo institutions, viewing them as stepping-stones to Kosovo independence. Kosovo's Serb community has looked to Belgrade rather than Pristina for leadership. Serbian officials have argued that while Belgrade has cooperated on many fronts, no progress has been made with regard to refugee returns (including the return of their property), illegally imprisoned Serbs in Kosovo, or the fate of over one thousand missing or kidnaped individuals.

In March 2004, Serbian Prime Minister Vojislav Kostunica, echoing previous Serbian government statements, expressed support for the decentralization of Kosovo. Under this concept, Serbian-majority areas of the province would be controlled by local Serb authorities, with their own police, and possibly with the deployment of Serbian police and army troops. Ethnic Albanian authorities would control the rest of the province. Such a plan would have the benefit, from Belgrade's point of view, of consolidating its control over northern Kosovo, where most Serbs in the province now live, and where important economic assets, such as the Trepca mining complex, are found. Ethnic Albanian leaders have strongly opposed the idea for these very reasons. International officials fear that decentralization along the lines proposed by Serbia could lead to the eventual partition of the province, which could in turn spark renewed violence.

The issue of Kosovo's status may be complicated by the dissolution of the Federal Republic of Yugoslavia and the establishment of a much looser relationship between Serbia and Montenegro. A new Constitutional Charter to govern their relations came into effect in February 2003. The charter describes Kosovo as part of Serbia, a provision that has been denounced by Kosovar Albanians. Kosovar Albanians claim that because the FRY no longer exists, Kosovo can no longer be considered part of it, and should be free to choose (via a referendum) independence. On the other hand, the Kosovo Serbs claim that the deal between Serbia and Montenegro, which was heavily promoted by representatives of the international community, was intended to forestall the further disintegration of states and regions in the former Yugoslavia, and demonstrated international opposition to Kosovo's independence. [2]

International Administration

U.N. Security Council Resolution 1244 (June 10, 1999) forms the basis of the international role in Kosovo. The resolution authorizes the deployment of an

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

international security presence in Kosovo, led by NATO, under a mission to ensure the withdrawal of Yugoslav armed forces from Kosovo, the demilitarization of the KLA, and the maintenance of the cease-fire. Resolution 1244 gives the U.N. mission in Kosovo (UNMIK) the chief role in administering Kosovo on a provisional basis. UNMIK's duties include performing basic civil administration of the province; maintaining law and order, including setting up an international police force and creating local police forces; supporting humanitarian aid efforts; facilitating the return of refugees and displaced persons to their homes; protecting human rights; supporting the reconstruction effort; preparing the way for elections and the creation of self-government institutions; and facilitating a political process to address Kosovo's final status. Resolution 1244 provides for an interim period of autonomy for Kosovo until negotiations on the final status of the province take place. It expresses support for the FRY's territorial integrity.

Bernard Kouchner of France served as the first Special Representative of the U.N. Secretary-General (SRSG) to oversee UNMIK until January 2001. He was replaced by Hans Haekkerup, Denmark's Defense Minister, whose brief term in Kosovo ended in December 2001. Michael Steiner, a German diplomat with extensive experience in the former Yugoslavia, became the third SRSG in early 2002 and completed his term in July 2003. Finnish diplomat Harri Holkeri became the fourth SRSG in August 2003. He stepped down in May 2004, citing health reasons, although some observers speculated that his resignation was also spurred by perceptions that his credibility, as well as that of UNMIK as a whole, had been damaged by the March 2004 riots. Danish diplomat Soren Jessen-Petersen, who had been the EU's Special Representative in Macedonia, became the next SRSG in mid-August. Upon his arrival, he outlined five mission priorities: improving security, prioritizing the standards and accelerating their implementation, transferring more authority to the PISG, protecting minorities, and improving the economy.

UNMIK initially had a four-pillar structure divided into humanitarian aid, civil administration, democratic institution-building, and reconstruction. UNMIK phased out the humanitarian aid pillar in mid-2000 and added a police and justice pillar in 2001. The United Nations leads the police and justice pillar as well as the one for civil administration; the Organization for Security and Cooperation leads the institution-building pillar; and the European Union leads the reconstruction pillar.

In April 2002, then UNMIK chief Steiner offered a "vision on how to finish our job," or an "exit strategy" for the international mission. He outlined a "standards before status" approach that included a series of benchmarks for Kosovo's institutions and society that should be achieved before addressing Kosovo's final status.

The benchmarks are

- the existence of effective, representative and functioning institutions;
- rule of law;
- freedom of movement;
- sustainable returns and reintegration;
- development of a sound basis for a market economy;
- clarity of property rights;

- normalized dialogue with Belgrade;
- reduction and transformation of the Kosovo Protection Corps in line with its mandate.[3]

The international community has endorsed the "standards before status" approach. However, even as UNMIK downsized and transferred a greater number of administrative competencies to Kosovo's self-governing institutions, it became clear to most observers that UNMIK's ability to "finish the job" would ultimately depend on a resolution to the question of Kosovo's final status. The standards before status approach gained new impetus in late 2003 with the Contact Group initiative, with U.N. Security Council approval, to elaborate on and "operationalize" the Standards for Kosovo and review their implementation by mid-2005.[4] In December 2003, UNMIK and the Kosovo provisional government established five joint working groups on implementing the standards. The Kosovo Serb community did not agree to participate in the working groups. Nevertheless, on March 31, 2004, UNMIK chief Holkeri unveiled the Kosovo Standards Implementation Plan (KSIP), a detailed road map for realizing the Kosovo Standards.

In a presidential statement, the U.N. Security Council strongly condemned the March 2004 inter-ethnic violence in Kosovo and attacks on KFOR and U.N. personnel. In view of the March events and the need to rebuild inter-ethnic cooperation, the U.N. Security Council called for urgent steps on two of the standards: sustainable returns and freedom of movement.[5] In the aftermath of the attacks, some Serbian and European officials have called for changes to the U.N. mission's mandate in order to improve security conditions in Kosovo. Some major non-governmental organizations, including Human Rights Watch and Amnesty International, strongly criticized the performance of U.N. agencies and NATO operations in Kosovo for failing to protect minority communities. U.N. Secretary-General dispatched a U.N. Department of Peacekeeping Operations team to evaluate the U.N. Mission in Kosovo and make recommendations. Norwegian U.N. diplomat Kai Eide, who headed the team, reportedly called for a range of changes to provide greater clarity and focus to the U.N. mission and future direction of the province. For example, he recommended that the lengthy list of standards be replaced with a "dynamic, priority-based standards policy" to pave the way for status discussions and future European integration. Eide also said that "serious exploratory discussions" on future status should begin as early as 2004 and that final status negotiations should take place by mid-2005, with the participation of the Kosovo government and Belgrade. He called for the transfer of more powers from UNMIK to the Kosovo government, with the aim of terminating the U.N. mission after final status negotiations begin. He recommended that the European Union take over as lead international agency in Kosovo.

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[3] Address to the Security Council by Michael Steiner, Special Representative of the Secretary-General, UNMIK/PR/719, April 24, 2002.

[4] The published text of the standards can be found at [http://www.unmikonline.org/press/2003/pressr/pr1078.pdf]. See also U.N. Security Council Presidential Statement, S/PRST/2003/26, December 12, 2003.

[5] U.N. Security Council President Statement, S/PRST/2004/13, April 30, 2004.

KFOR[6]

KFOR's mission, in accordance with UNSC 1244, is to monitor, verify, and enforce the provisions of the Military Technical Agreement and the KLA demilitarization agreement. KFOR is also charged with establishing and maintaining a secure environment in Kosovo to facilitate the return of refugees, the delivery of humanitarian aid, and the operation of the international civilian administration. KFOR has actively supported UNMIK's activities, including efforts to meet benchmarks of progress and to transfer increased responsibilities, especially related to law enforcement, to Kosovo's interim civil authorities. Resolution 1244 includes a provision that says KFOR is to oversee the return of "hundreds, not thousands" of Yugoslav troops to Kosovo to liaise with the international presence, mark minefields, provide a "presence" at Serb historical monuments and "key border crossings." To date, no troops from Serbia and Montenegro have returned to Kosovo for these purposes, although in March 2001, NATO approved the phased return of Serbia and Montenegro forces to the formerly demilitarized buffer zone between Kosovo and the rest of Serbia.

NATO reviews KFOR's mission every six months and periodically considers plans to adjust force structure, reduce force levels, and eventually to withdraw from Kosovo. KFOR's force strength has been steadily reduced from its peak in 1999 of nearly 50,000. On the basis of its mid-2003 mission review and reflecting KFOR's assessment that the overall security situation remains stable, NATO agreed to continue to "regionalize and rationalize" KFOR's force structure and size, including a reduction in strength to about 17,500. Since December 2003, however, NATO members have agreed that a large NATO presence in Kosovo remains necessary and have maintained KFOR strength at about 17,500, with additional reinforcement brought in during the period of the October 2004 elections in Kosovo. The U.S. share of KFOR remains below 15% of the total and currently numbers about 1,800 troops.

In response to the sudden and widespread ethnic Albanian attacks on Serb enclaves in March 2004, NATO swiftly made available an additional 3,000 NATO reserve forces to the KFOR Commander, Lt. Gen. Holger Kammerhoff. The first reinforcements, including U.S., Italian, British tactical and operational reserve forces, were deployed to Kosovo from the Balkan region (including Bosnia) and elsewhere in Europe. NATO also ordered the deployment of a French strategic reserve battalion. The performance of KFOR units during the violence varied widely. In the aftermath of the March incidents, NATO conducted a "lessons learned" study to evaluate KFOR's performance and identify areas for improvement. The study's recommendations reportedly included the removal of national restrictions, or caveats, on COMKFOR's ability to deploy KFOR troops; improved training and equipment; improved intelligence capabilities in order to anticipate events such as in March; and measures to maximize KFOR force presence in patrols. KFOR also created a Security Advisory Group with UNMIK and local Kosovar representatives to improve communication and coordination on security matters. French General Yves de Kermabon replaced Kammerhoff as COMKFOR in September 2004.

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[6] For more information, refer to the KFOR website at [http://www.nato.int/kfor].

In addition to providing for a secure environment in Kosovo, KFOR has been sporadically engaged with security problems in southern Serbia and neighboring Macedonia. In 2000 and 2001, KFOR detained scores of men and seized substantial quantities of weaponry in an attempt to stop ethnic Albanian guerrillas from moving men and supplies into the 3 mile-wide demilitarized Ground Safety Zone (GSZ) in southern Serbia, which served as a staging area for guerrilla attacks against Serbian police in the Presevo valley region. In March 2001, NATO agreed to the gradual elimination of the GSZ and oversaw a phased return of most of the GSZ to the Yugoslav army and Serbian police forces. The ethnic Albanian guerrilla groups officially disbanded, although some extremists still remain active, mainly with the self-styled Albanian National Army.

The guerrilla insurgency in Macedonia in 2001 also presented challenges to KFOR. Macedonian officials charged that KFOR had failed to stop the transport of weapons and men from Kosovo to the ethnic Albanian guerrillas over the heavily forested and mountainous border region between Kosovo and Macedonia. KFOR troops had limited success in blocking rebel supply routes in the remote and rugged border region. After the parties in Macedonia reached a peace agreement in August 2001, NATO countries sent a small force, separate from KFOR, to monitor the disarmament of the rebels and security situation in the country. NATO transferred command of the force in Macedonia to the European Union in March 2003.

Institution-Building

Under the 2001 Constitutional Framework for Provisional Self-Government, Kosovo is governed by a combination of international administration and provisional institutions of self-government. On the basis of the November 2001 Kosovo-wide elections, a Kosovo assembly, President, and government were established. After the most recent vote on October 23, 2004, a new assembly and government were formed.

UNMIK retained ultimate executive authority over the Kosovo provisional institutions, including veto power, and exclusive authority in some areas, so-called Article VIII reserved powers. These reserved responsibilities included justice, minority rights protection, customs, monetary policy, the budget, and authority over the Kosovo Protection Corps, among others. Non-reserved responsibilities, which are listed in Article V of the framework, have gradually been transferred from UNMIK to the Kosovo provisional government. On December 30, 2003, UNMIK chief Holkeri announced that the transfer of all relevant competencies had been completed. UNMIK officials have lauded the development of Kosovo's provisional institutions, but emphasize that further progress needs to be made before Kosovo can meet the standard of having functioning democratic and representative institutions. In particular, U.N. representatives have criticized deficient or inappropriate actions taken by the Kosovo Assembly, including its moves to amend the Constitutional Framework. Outside observers note, however, that Kosovo's provisional governing institutions have only limited authority to implement the Standards for Kosovo, many of which fall under the shared or exclusive purview of UNMIK, and are thus limited in their capacity to demonstrate governing competence. New UNMIK Chief Jessen-Petersen and the PISG have recently agreed to facilitate the transfer to additional competencies, especially in the economic sphere.

A prominent responsibility reserved by UNMIK is the Kosovo Protection Corps (KPC), a civilian emergency response force. UNMIK developed the KPC as a means to "civilianize" former members of the Kosovo Liberation Army. However, KPC leaders frequently refer to their organization as the basis for a future Kosovo military force. The authorized strength of the KPC is 3,052 active members and 2,000 reserved. Its current strength is 3,028 active members (early 2005). Minority representation in the KPC comprises over 5% of the total. Relations between the KPC and UNMIK suffered a setback in early 2003 after some KPC members were implicated in a bombing incident carried out by an extremist Albanian group. Following an initial investigation, UNMIK temporarily suspended a dozen KPC members from the Corps in December but reinstated them six months later. The transformation of the KPC is one of the Standards for Kosovo. Its development remains plagued by insufficient training, poor command and control structures, and limited equipment, although UNMIK has reported some recent improvements in KPC performance.

Rule of Law

Until the March 2004 outbreak of inter-ethnic violence, rates of serious or deadly criminal incidents in Kosovo had been dropping year-by-year, according to international reporting, although some serious incidents continued to occur. International representatives have noted that inter-ethnic crime has gone down while intra-ethnic crime has increased. An exception to this trend was the spate of violent murders of Kosovo Serb civilians that took place during the summer of 2003, and most recently in March 2004. UNMIK and KFOR have pledged to take additional measures to improve security for minority communities, beginning with bringing to justice those responsible for the recent attacks. Over 270 persons have been arrested for crimes related to the March riots. Beyond violent crime, organized criminal activity, including smuggling and trafficking in narcotics and persons, has increased.

International judicial panels, established by UNMIK in early 2000, have begun to consider serious criminal cases relating to war crimes and terrorist acts.[7] In July 2003, a Kosovo district court found four former KLA members guilty of war crimes and sentenced them to prison terms ranging from five to fifteen years. The ruling was the first conviction of Kosovo Albanians for war crimes since the end of 1999 war. Local judicial bodies deal with all civil and most criminal cases. 310 local judges and 85 prosecutors, including some minority representatives, are currently in place. Parallel judicial structures supported by Belgrade continue to exist in Serbian-majority municipalities. The March events set back inter-ethnic cooperation on judicial development to some degree.

In July 2004, the Kosovo Ombudsman, a U.N. institution created to promote individual human rights in Kosovo, reported a reversal of progress in the human rights situation. The Ombudsman, Polish diplomat Mark Nowicki, assessed that Kosovo remains a long way from reaching a minimal level of protection of rights and

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[7] The U.N.'s insertion of international judges and prosecutors within the local justice system in Kosovo was unprecedented. See Michael E. Hartmann, "International judges and prosecutors in Kosovo," U.S. Institute of Peace Special Report No. 112, October 2003.

freedoms. He noted that the situation is especially difficult for ethnic Serbs and Roma in Kosovo.

Policing in Kosovo is a shared responsibility between international and local Kosovo police forces. UNMIK retains overall authority over Kosovo's law enforcement institutions. The international UNMIK police force currently comprises over 3,600 officers from nearly 50 countries. The U.N. police presence had begun to decrease as local police forces had grown and developed. However, UNMIK boosted the U.N. police force after the March 2004 events. Under its institution-building pillar headed by the OSCE, UNMIK opened a training academy for the KPS in August 1999. By late 2004, the number of KPS uniformed personnel that had completed basic police training numbered over 6,200. Minority participation in KPS has reached about 16%, including about 9% Serbs. In addition to the KPS, a Kosovo Correctional Service has grown to a staff of over 1,400 personnel. UNMIK police have gradually shifted greater responsibilities to the KPS as its ranks and capabilities have grown. Despite these improvements in policing, freedom of movement remains difficult in some parts of the province, especially for the Kosovo Serb minority. Two U.N. police, one of the KPS and one international UNMIK officer, were shot and killed in March 2004 in an attack outside Pristina. In addition, about 100 KPS members face allegations of misconduct in relation to the March violence. In January 2005, a U.N. police officer was killed in a bomb explosion.

Economy

Kosovo's economic situation has improved since the end of the 1999 war, largely as a result of substantial international reconstruction aid inflows, but remains underdeveloped. In particular, unemployment, estimated at 60%-70% of the population, is a primary concern. Other prominent problems affecting the economy have included the operation of public utilities, especially electricity, smuggling, and other organized criminal activity. Foreign donor support and remittances from Albanians abroad comprise the strongest economic growth engines in Kosovo and helped to fuel strong but waning GDP growth: 11% growth in 2001, 7% in 2002, and 4.5% in 2003. Foreign assistance for budgetary support, reconstruction assistance, and peace implementation activities in Kosovo totaled about $2.8 billion during 1999-2003.[8]

International efforts are also focused on privatization and fostering private sector growth, as well as creating a legal framework for a self-sustaining economy and strengthening the financial sector. Among other things, these efforts have led to improvements in budget revenue collection through internal taxation and customs income. In April 2002, former UNMIK chief Steiner announced the creation of a Kosovo Trust Agency to manage and oversee the process of privatization in order to spur job creation and attract investment. In May 2003, the Kosovo Trust Agency announced its first six tenders for the privatization of socially-owned enterprises, and additional rounds of tenders have followed. However, the KTA has frequently

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[8] For more on the Kosovo reconstruction effort, see the joint EU-World Bank site at [http://www.seerecon.org] and CRS Report RL30453, *Kosovo: Reconstruction and Development Assistance*.

suspended the privatization process because of legal complications with Serbia on the status of Kosovo enterprises and disputes with the provisional governing institutions in Kosovo. Kosovar Albanian officials have frequently criticized the work of the KTA and the agency has undergone numerous personnel and procedural changes.

Returns

The vast majority of ethnic Albanian refugees and displaced persons from the conflict returned to Kosovo with remarkable speed after June 1999. However, as ethnic Albanian refugees returned to Kosovo, large numbers of ethnic Serbs and Roma (Gypsies) left the province, mainly for Serbia and Montenegro. UNHCR estimated that over 200,000 Serbs and Roma left Kosovo after the end of the NATO air strikes in June 1999.[9] Since 2000, only a few thousand of displaced minorities have returned to Kosovo, and mostly to ethnic enclaves, including over 3,600 minority returns in 2003. The security situation and freedom of movement for those who do return remains precarious, and the different ethnic communities remain largely unintegrated. UNMIK has worked in recent years to establish a comprehensive framework to support returns, and the number of returns has increased in the past two years, but still remains small. Moreover, the proportion of Kosovo Serbs who return remains at a lower level than that of other minority groups. The international community continues to support the principle that all refugees and displaced persons have the right to their homes. In 2003, donor nations identified minority refugee and displaced returns as a priority area, and launched a Strategy for Sustainable Returns for 2004. In July 2003, Kosovo's Albanian leaders made an open appeal encouraging non-Albanian displaced persons and refugees in Serbia, Montenegro, and Macedonia to return to Kosovo.

However, the violent incidents in March 2004 against ethnic Serb communities, in which over 4,000 minorities were forced from their homes, dealt a severe blow to the returns process. By the end of 2004, over 2,000 people remained displaced as a result of the March violence. Some await the repair and renovation of the homes damaged and destroyed in March. The U.N. has reported that 90% of homes damaged or destroyed in March have been repaired or are being repaired. Some of the displaced may decline to return out of ongoing security concerns.

War Crimes

On May 27, 1999, the International Criminal Tribunal for the Former Yugoslavia (ICTY) announced the indictment of Yugoslav President Slobodan Milosevic, Serbian President Milan Milutinovic, FRY Deputy Prime Minister Nikola Sainovic, Yugoslav Army Chief of Staff Dragoljub Ojdanic, and Serbian Minister of Internal Affairs Vlajko Stojiljkovic for war crimes and crimes against humanity committed by Yugoslav and Serbian forces in Kosovo. The indictments were the first issued by the Tribunal relating to the Kosovo conflict. (These indictments were

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[9] Persons (both ethnic Albanian and Serb) who have fled their homes in Kosovo are considered refugees if located outside of Serbia and Montenegro, and internally displaced if they remain in Kosovo or elsewhere in Serbia or Montenegro.

amended in June and October 2001 to add new charges related to the Kosovo conflict.) The ICTY is focusing its efforts on high-level officials. Local courts in Kosovo headed by international judges and prosecutors are trying cases against lower-level accused war criminals.

On June 13, 2000, Del Ponte released a report that said that she would not indict NATO officials for alleged war crimes during NATO's air campaign. The report said that "although some mistakes were made by NATO, the Prosecutor is satisfied that there was no deliberate targeting of civilians or unlawful military targets by NATO during the campaign." In June and November 2002, UNMIK police arrested former KLA soldiers, including a former top commander known as Remi, for murders of ethnic Albanians during the war in Kosovo. The charges were brought by an international prosecutor in Kosovo's justice system, not by the ICTY. In February 2003, KFOR arrested and transferred to the Tribunal three former KLA fighters indicted by the ICTY for war crimes against Serbs and Albanians. A fourth indictee was later transferred to the ICTY by Slovenia.

Wanting to avoid a U.S. boycott of a June 29, 2001, conference of aid donors to the FRY, the Serbian government transferred Milosevic to the ICTY on June 28. Milosevic's trial for crimes committed in Kosovo began in February 2002. After the FRY passed a law on cooperation with the Tribunal in April 2002, Ojdanic and Sainovic surrendered to the Tribunal. Stojiljkovic committed suicide outside the Yugoslav parliament building. The March 2003 murder of Serbian Prime Minister Zoran Djindjic, and the possibility of a U.S. aid cutoff for non-cooperation with the ICTY, led Serbia in June 2003 to hand over additional indictees wanted by the ICTY for crimes in Kosovo and elsewhere. These included former intelligence chief Jovica Stanisic and paramilitary leader Franko Simatovic (known as "Frenki").

However, even after the surrender of these indictees, Del Ponte continued to warn that some indictees still remain on Serbia's soil and that Serbia has not completely cooperated with the Tribunal on other issues, including the provision of documents from Yugoslav archives. An additional ICTY indictment in October 2003 of four army and police generals for atrocities in Kosovo was sharply condemned by Serbian officials. So far the new, more nationalistic Serbian government formed in March 2004 been even less willing to cooperate with the ICTY than the previous one, resulting in the suspension of some U.S. aid to Serbia.[10]

Former KLA commander Ramush Haradinaj's appointment as PISG Prime Minister in December 2004 could become problematic if he is implicated in war crimes stemming from the 1998-1999 conflict in Kosovo. He has been brought before ICTY for questioning, but no formal indictment has been announced.

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[10] For more on war crimes in Kosovo and the activities of the ICTY, see the ICTY website at [http://www.un.org/icty/]. For more on Serbian aid conditions, see CRS Report RS21686, *Conditions on U.S. Aid to Serbia*, by Steven Woehrel.

U.S. Policy

From the beginning of the conflict in Kosovo in the late 1990s, the Clinton Administration condemned Serbian human rights abuses and called for autonomy for Kosovo within Yugoslavia, while opposing independence. The Clinton Administration pushed for air strikes against Yugoslavia when Belgrade rejected the Rambouillet accords in March 1999, but refused to consider the use of ground troops to eject Yugoslav forces from Kosovo. However, even before the air strikes, the Clinton Administration said that U.S. troops would participate in a Kosovo peacekeeping force if a peace agreement were reached. After the conflict, President Clinton said that the U.S. and NATO troop commitment to Kosovo could be reduced as local autonomous institutions took hold. He said that the United States and the European Union must work together to rebuild Kosovo and the region, but that "Europe must provide most of the resources."[11]

During the 2000 Presidential campaign, Condoleezza Rice, later appointed by President-elect Bush as his National Security Advisor, said that U.S. military forces are overextended globally, and that peacekeeping responsibilities in the Balkans should be taken over by U.S. allies in Europe. However, after taking office, the Administration appeared to adopt a more cautious tone. In February 2001, Secretary of State Colin Powell said that the United States had a commitment to peace in the Balkans and that NATO forces would have to remain in Bosnia and Kosovo for "years." He said the United States was reviewing U.S. troop levels in Bosnia and Kosovo with the objective of reducing them over time, but stressed that the United States would act in consultation with its allies and was not "cutting and running."

During a July 24, 2001, visit to U.S. troops in Kosovo, President Bush reiterated this position, saying that

> we will not draw down our forces in Bosnia or Kosovo precipitously or unilaterally. We came in together, and we will go out together. But our goal is to hasten the day when peace is self-sustaining, when local, democratically elected authorities can assume full responsibility, and when NATO's forces can go home. This means that we must re-organize and re-energize our efforts to build civil institutions and promote rule of law. It also means that we must step up our efforts to transfer responsibilities for public security from combat forces to specialized units, international police, and ultimately local authorities. NATO's commitment to the peace of this region is enduring, but the stationing of our forces here should not be indefinite.

The September 11, 2001, terrorist attacks in the United States (including the deployment of U.S. troops to Afghanistan) and the conflict in Iraq reinforced the Administration's desire to decrease the U.S. deployment in the Balkans. The number of troops in KFOR has declined from about 38,000 in June 2002 to roughly 18,000 today, with the U.S. contingent falling from 5,500 to 1,800. Although the NATO has agreed to terminate its Stabilization Force in Bosnia and turn over peacekeeping duties to the EU, no such changes are contemplated thus far in Kosovo, reflecting the less stable nature of the situation in Kosovo.

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[11] See also CRS Report RL30374, *Kosovo: Lessons Learned from Operation Allied Force*.

In 2001, the United States condemned the ethnic Albanian guerrillas in Macedonia as a threat to peace and stability in the region, including former KLA fighters in Kosovo, some of whom held key roles in the rebellion. On June 27, 2001, President Bush issued an Executive Order prohibiting Americans from "transferring, paying, exporting, withdrawing or otherwise dealing in the property or interests in property of persons involved in violent and obstructionist actions" in the Balkans. Bush also barred entry to the United States of those "who actively obstruct implementation of the Dayton Peace Accords or UN Security Council Resolution 1244 and who otherwise seek to undermine peace and stability in the region" or "who are responsible for wartime atrocities committed in the region since 1991." The order lists 35 persons and organizations covered by the restrictions, including the leaders of ethnic Albanian guerrilla groups in Macedonia and southern Serbia, as well as persons and groups in Kosovo supporting them.[12] The United States helped broker the August 2001 Ohrid peace accords that put an end to the conflict in Macedonia.

The Bush Administration has supported the "standards before status" policy favored by UNMIK and the EU. This approach calls for the autonomous Kosovo government to achieve a number of benchmarks (including progress toward creating a functioning democratic government, free market economy, the rule of law and respect for ethnic minorities) before the issue of Kosovo's status is discussed. In November 2003, the Bush Administration launched an initiative to give greater impetus to the "standards before status" policy. Undersecretary of State for Political Affairs Marc Grossman, backed by other members of the Contact Group, announced a "review date" strategy for the Kosovo standards that will lead to an evaluation of the standards for Kosovo by mid-2005. Should Kosovo meet the standards, he said that the international community would be prepared "to begin a process to determine Kosovo's future status." He also said that "all options are on the table," but that the United States would not take a position on final status at this time.[13]

On March 17, 2004, the State Department issued a statement strongly deploring the incidents of serious violence in Kosovo and calling for the restoration of calm and order and cooperation with international agencies. Undersecretary of State Marc Grossman and other U.S. officials have made numerous visits to Kosovo and Belgrade since the March incidents. In his meetings, Grossman has expressed continued U.S. resolve to implement the Kosovo Standards and the need to restore momentum to the standards and review date strategy. Since March, particular attention has been given to the issues of security for all communities in Kosovo and proposals for democratic administrative reforms, including possible reforms

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[12] For the text of the Executive Order, see the website of the Treasury Department's Office of Foreign Assets Control at [http://www.treas.gov/offices/enforcement/ofac/].)

[13] "UNMIK Press Conference," November 5, 2003. Transcript available on the State Department website in hypertext (html) at [http://www.state.gov/p/26032.htm] or in pdf (printer-friendly format) from the U.N. at [http://www.unmikonline.org/press/2003/trans/tr051103.pdf].

involving decentralization and local government. U.S. officials have emphasized that the Standards represent the only path toward resolving Kosovo's status.[14]

During confirmation hearings on January 18, 2005, Secretary of State nominee Condoleezza Rice said that a U.S. priority had been "to try to get some energy into UNMIK," which she said was being supplied by UNMIK's new leadership. She noted that Jessen-Petersen had "put a lot of emphasis" on standards dealing with minority rights "so that we can move on then to discussions in the review conference that's coming up about status."

According to the Department of Defense Comptroller's Office, DOD incremental costs for Kosovo through FY2003 (est.) were $8.2 billion. This figure included $1.89 billion for the 1999 NATO air war, $5.23 billion for KFOR, $141.6 million in refugee aid, $34.6 million for the OSCE observer mission before the war, and $20.3 million for the pre-war aerial verification mission.[15] From FY1999 through FY2001, the United States obligated $425.8 million in bilateral aid to Kosovo.[16] The United States provided $118 million to Kosovo in FY2002, $85 million in FY2003, and $79 million in FY2004. For FY2005, the Administration requested $72 million for Kosovo.[17] Since 1999-2000, U.S. aid has shifted away from humanitarian and reconstruction aid toward assistance aimed at democratization, the rule of law and establishing a free market economy.

Congressional Response

In 1999, the 106th Congress debated whether U.S. and NATO air strikes in Kosovo were in the U.S. national interest, and whether the President could undertake them without congressional approval. In the end, Congress neither explicitly approved nor blocked the air strikes, but appropriated funds for the air campaign and the U.S. peacekeeping deployment in Kosovo after the fact. In 2000, some Members unsuccessfully attempted to condition the U.S. military deployment in Kosovo on Congressional approval and on the implementation of aid pledges made by European countries. Many Members of Congress said that they expected U.S. allies in Europe to contribute the lion's share of aid to the region and expressed concern that European countries were slow to implement their aid pledges. Congress moved to limit U.S. aid to Kosovo to 15% of the total amount pledged by all countries.[18]

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[14] Statement of Deputy Assistance Secretary of State D. Kathleen Stephens before the Senate Foreign Relations Committee, July 14, 2004.

[15] See CRS Issue Brief IB94040, *Peacekeeping: Issues of U.S. Military Involvement*, updated regularly.

[16] U.S. Agency for International Development, Overseas Loans and Grants, July 31, 1945-September 30, 2001, p. 184.

[17] U.S. Department of State, FY2005 Congressional Budget Justification for Foreign Operations.

[18] For detailed information on the activities of the 106th Congress, see CRS Report RL30729, *Kosovo and the 106th Congress*, November 6, 2000.

The 107th Congress focused on limiting the cost of the continuing U.S. engagement in Kosovo. The FY2002 foreign aid appropriations law (P.L. 107-115) provides $621 million in aid for central and eastern Europe under the Support for East European Democracy (SEED) program, but no earmark for Kosovo. The bill says that aid to Kosovo "should not exceed 15 percent of the total resources pledged by all donors for calendar year 2002 for assistance for Kosovo as of March 31, 2002." The bill also bars U.S. aid for "large scale physical infrastructure reconstruction" in Kosovo. The FY2002 defense authorization law (P.L. 107-107) limited funding for U.S. peacekeeping troops to $1.5286 billion. The President may waive this provision if he certifies that the waiver is in the national security interest of the United States and that it will not adversely affect the readiness of U.S. forces. The President must submit a report on these issues as well as a supplemental appropriations request.

In FY2003 foreign operations appropriations legislation (P.L. 108-007), Congress provided $525 million in SEED aid, with no earmark for Kosovo. Congress also included the 15% aid ceiling and restriction on large-scale infrastructure projects as it had in previous years. The bill says $1 million "should" be provided for training programs for Kosovar women. The FY2004 foreign operations bill, included as part of an omnibus appropriations measure (P.L. 108-199), earmarked $79 million for Kosovo. It added that says $1 million "should" be provided for "a program to promote greater understanding and interaction among youth in Albania, Kosovo, Montenegro and Macedonia."

In the 108th Congress, several resolutions have been introduced that advocate U.S. support for Kosovo's independence. In the first session, H.Res. 11 and H.Res. 28 were introduced. They expressed the sense of the House that the United States should declare support for Kosovo's independence. H.Res. 11 conditions this support on Kosovo's progress toward democracy, while H.Res. 28 supports independence without prior conditions. S.Res. 144 expresses the sense of the Senate that the United States should support the right of the people of Kosovo to determine their political future once "requisite progress" is made in achieving U.N. benchmarks in developing democratic institutions and human rights protections. On May 21, 2003, the House International Relations Committee held a hearing that dealt with H.Res. 28 and the future of Kosovo. On October 7, 2004, the Committee held a markup session on the bill. After debate on the bill, Chairman Representative Henry Hyde and ranking Democrat Representative Tom Lantos agreed to postpone a vote on the bill until hearings on the issue could be held. Congress may take up the issue of Kosovo independence in the 109th Congress. On January 4, 2005, Representative Lantos introduced H.Res. 24, which expresses the sense of the House that the United States should support Kosovo's independence.

In the wake of the March 2004 violence in Kosovo, several resolutions were introduced to condemn the attacks, as well as subsequent attacks on Islamic sites in Serbia. These included H.Res. 587, introduced by Representative Christopher Smith, and H.Res. 596, introduced by Representative Burton. On April 8, the Senate agreed by unanimous consent to S.Res. 326, introduced by Senator Voinovich. The resolution, a slightly modified companion version of H.Res. 596, strongly condemned the violence; recognized the commitment of Kosovo and Serbian leaders to rebuild what had been destroyed and encourage the return of refugees; called on leaders in Kosovo to renounce violence and build a multi-ethnic society based on the

standards for Kosovo; recommended the restructuring of UNMIK; and urged the reinvigoration of dialogue between Kosovo and Belgrade. S.Res. 384, offered by Senator Lugar on June 18, calls on the United States to work with KFOR, UNMIK, and the Kosovo and Serbian governments to implement the Standards for Kosovo.

H.Res. 726, introduced by Representative Doug Bereuter on July 9, praises new Serbian president and former Defense Minister Boris Tadic and the Serbian people for several reasons, including showing "courage, composure, dignity, and wisdom" by not deploying Serbian troops in reaction to the March riots in Kosovo and by working with KFOR to "resolve the crisis."

Figure 1. Map of Kosovo

Source: Map Resources. Adapted by CRS. (K.Yancey 4/29/04)