

BENCHMARKS FOR A SUSTAINABLE PEACE

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MESSAGE

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A REPORT ON PROGRESS TOWARD ACHIEVING BENCHMARKS FOR  
A SUSTAINABLE PEACE IN BOSNIA



SEPTEMBER 6, 2000.—Message and accompanying papers referred to the  
Committees on International Relations, Appropriations, and Armed Serv-  
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*To the Congress of the United States:*

As required by the Levin Amendment to the 1998 Supplemental Appropriations and Rescissions Act (section 7 of Public Law 105–174) and section 1203 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), I transmit herewith a report on progress made toward achieving benchmarks for a sustainable peace process.

In April 2000, I sent the third semiannual report to the Congress under Public Law 105–174, detailing progress towards achieving the ten benchmarks adopted by the Peace Implementation Council and the North Atlantic Council for evaluating implementation of the Dayton Accords. This report provides an updated assessment of progress on the benchmarks, covering the period January 1 through June 30, 2000.

In addition to the semiannual reporting requirements of Public Law 105–174, this report fulfills the requirements of section 1203 in connection with my Administration's request for funds for FY 2001.

WILLIAM J. CLINTON.

THE WHITE HOUSE. *July 27, 2000.*



REPORT TO CONGRESS ON PROGRESS TOWARD ACHIEVING  
BENCHMARKS IN BOSNIA

This document is divided into two parts, corresponding to two separate Congressional reporting requirements concerning SFOR operations and developments in Bosnia and Herzegovina (BiH). Part I responds to the requirements of section 7 of Public Law 105–174 and outlines the latest developments in our continuing efforts to achieve a sustainable peace in Bosnia and Herzegovina. Part II responds to the supplementary reporting requirements contained in section 1203(a) of the National Defense Authorization Act for Fiscal Year 1999. I submit these two reports in a single document to afford Congress a broad and comprehensive assessment of recent developments in BiH.

PART I

*Introduction.* In April 2000, I sent the third semiannual report to congress under PL 105–174, detailing progress towards achieving the ten benchmarks adopted by the Peace Implementation Council (PIC) and the North Atlantic Council (NAC) for evaluating implementation of the General Framework Agreement for Peace in Bosnia and Herzegovina (GFAP or the Dayton peace agreement). This section provides an updated assessment of progress toward achieving the benchmarks for the period from January 1 through June 30, 2000.

the United States continues to have strong national interests in fostering security and stability in Southeastern Europe. To that end, working with our Allies and Partners, we are making slow but steady progress in helping BiH on its way to political and economic recovery. We have worked hard to maintain a cooperative momentum. At the PIC ministerial meeting in Brussels in May, ministers laid out priorities for the next two years for Bosnian authorities and the international community that focussed on achieving self-sustaining peace, democracy, and economic growth in BiH. Continued active engagement by the international community, led by the U.S. and our partners in the PIC, will be needed if these objectives are to be realized. It remains our goal to foster circumstances that allow the people of BiH to assume stewardship of a self-sustaining peace process leading to full integration of BiH into the family of European democracies.

The following evaluation provides a detailed account of progress achieved over the reporting period under each of the ten benchmarks. Basic structures of government now in place are slowly extending their reach, and Dayton-mandated central institutions functions with increased, though still limited, effectiveness. UN-sponsored training of a multi-ethnic State Border Service is well under way. A small, specially trained, multi-ethnic policy unit deployed in support of UN operations in East Timor. In addition, Bos-

nia resumed control of its upper airspace during the reporting period. Over the past six months, the international community undertook planning for intensified action against deep-rooted corruption in BiH. The international community has intensified support for increased independence of the still-fragile BiH police force and judicial system and has carried out measures against corrupt and obstructionist government and business officials. Nevertheless, there remains much room to improve these institutions and prepare them to contribute to establishing a truly multi-ethnic state.

Many political figures remain committed to mono-ethnic, anti-Dayton visions of the future and resist taking steps that would ensure a European future for a multi-ethnic BiH. Key indicted war criminals remain at large, poisoning the environment in which peace is taking root. The rate of minority refugee returns, while registering four-fold increase in the first quarter of calendar 2000, remains less than satisfactory. Many needed economic and judicial reforms are still pending. The April municipal elections demonstrated that hardline nationalist parties remain a powerful political force, even though their grip is weakening. Further forceful international community action will be needed to eliminate the influence of discredited opponents of the Dayton process.

A benchmark-by-benchmark analysis of the current situation follows:

1. *Military Stability*. Aim: Maintain Dayton cease-fire. Since the July 1–December 31, 1999, assessment, BiH continues to be relatively calm. NATO deemed the security environment in Bosnia sufficiently improved to undertake substantial cuts in SFOR's total troop strength, reducing SFOR personnel by about 30 percent, to approximately 23,000 (about 22,000 in Bosnia), by May 2000. The U.S. component was reduced to around 4,600 troops or about 20 percent of SFOR strength. As of May 1, 2000, the planned reduction from 34,000 to 23,000 troops was complete. As a result of this drawdown, local commanders have to cover their assigned areas with fewer forces, which in some cases may be located farther from potential trouble areas. SFOR's new operational concept compensates for the reduction in troop numbers through enhanced flexibility, which permits the restructured force to accomplish its mission with the same overall effectiveness. NATO Secretary General Lord George Robertson reported to the PIC ministerial on May 23 that SFOR would "always retain the forces necessary to get the job done, and in today's environment, we are at the right level."

Progress continued towards increasing mutual confidence between the entity armed forces (EAFs). The Office of the High Representative (OHR), OSCE, and SFOR have cooperated to increase the professionalism and education of the EAFs. The political leadership of Bosnia has agreed to formulate a common Bosnian security policy as a first step towards creating a state dimension of defense. The permanent secretariat for the Standing Committee on Military Matters (SCMM) made progress in developing its role in coordinating actions of the EAFs at the policy level. In addition to working on the common security policy, the SCMM secretariat assisted in planning and implementing reductions of the EAFs' budgets and military personnel by 15 percent. SFOR verified that this drawdown was completed in a report to the SCMM in May. This

process was advanced in March, during Secretary Albright's visit to Sarajevo, with an agreement among the United States, Croatia, and the Federation to notify all future security assistance from Croatia and the United States through the SCMM. The United States implemented this arrangement immediately, and in May Croatia and the Federation signed an Agreement on defense Assistance Transparency. However, BiH still has no state security policy, and the SCMM will require more staff, more resources, and greater authority to deal with security issues directly, if it is to carry out its envisioned role.

2. *Public Security and Law Enforcement.* Aim: A restructured and democratic police force in the Federation and Republika Srpska (RS). Signs of reform in both entities continue to be observed. With UN and other international training, the multi-ethnic State Border Service began operations. The Service has selected its executive leadership, and the first units deployed at Sarajevo airport on June 6. More deployments are expected in the near future. In addition, a twelve-member multi-ethnic BiH police unit was deployed to East Timor in support of UN operations there. As a result of UNMIBH's creation of the Standing Committee on Police Matters, on May 3, the entities signed an agreement to facilitate the voluntary redeployment of 200–300 police across the Inter-Entity Boundary Line (IEBL) to return them to their pre-war assignments. In Mostar, local cantonal authorities have begun to integrate the police headquarters. However, organized crime and anti-Dayton forces remain major impediments to reform and continue to exert political influence on elements of the police. It was necessary for the OHR to remove two cantonal interior ministers for non-compliance with Dayton-related mandates, and assistance from the international community and SFOR is still needed to effectively combat organized crime, civil disorder, narcotics trafficking, ethnic violence, and public sector corruption. The International Police Task Force (IPTF) is nearing completion of its human rights and transition training and is planning to phase out its training function. It will focus on monitoring/advising police activities and staffing specialized units for helping local police deal with organized crime and corruption. UNMIBH continues intensive audits of local police operations and will vigorously enforce non-compliance and de-certification policies.

3. *Judicial Reform.* Aim: An effective judicial reform program. Significant judicial reform legislation was adopted by the RS parliament in April and imposed by OHR in the Federation in May. The aim of these Entity judicial and prosecutorial service laws is to de-politicize the appointment and dismissal of judges and prosecutors by establishing judicial selection commissions composed of serving judges and prosecutors to advise legislators on all appointments and dismissals. The laws also provide that the Commissions will review all sitting judges and prosecutors over a period of 18 months. The United Nations' Judicial System Assessment Program (JSAP) has stated that it will complete its work by the end of the year. A follow-on program focussed on reform implementation is being designed by OHR. Progress was also made in the area of judicial training with the establishment in February of an Inter-Entity Judicial Training Advisory Board. The Federation Government

established the new first instance criminal court to try inter-cantonal crime, terrorism, and organized crime in accordance with a law imposed by OHR last year. OHR continued to press the Federation for proper funding for this court, which was not forthcoming. Though steady progress is being made structurally in the area of judicial reform, more effort is needed to ensure implementation of these new structures and real independence (political and financial) of the judiciary. Successful execution of judicial reforms is critical to establishment of the rule of law and establishing once and for all the confidence of all Bosnia's citizens regardless of ethnicity in the domestic court system.

4. *Illegal Institutions, Organized Crime, and Corruption.* Aim: The dissolution of illegal pre-Dayton institutions. The new reform Government of Croatia, which emerged from elections this spring, has stated its commitment to transparency in its relations with Bosnia. The March agreement to channel support for the Bosnian Federation military through the SCMM (above, Benchmark 1) is an important example. It cuts support from Croatia for nationalist Croat organizations in BiH.

Under pressure from the international community, the Bosnian authorities have taken a more active role in fighting corruption. For the first time, a Bosnian court convicted three former Tuzla canton officials on abuse of office charges. The Federation Government produced an anti-corruption strategy in March 2000. In the RS, Prime Minister Dodik also produced an anti-corruption plan and asked for assistance in implementing it. U.S. support to the OHR's anti-fraud unit will underwrite the hiring of auditors, prosecutors, and investigators. The United States has also increased assistance to police, prosecutors, judges and other legal professionals in fighting corruption, particularly in the banking sector. Two FBI agents are in Bosnia now to assist in preparing several key organized crime/corruption cases for prosecution and in enhancing local law enforcement and prosecutorial capacities in this area. OHR's Anti-corruption and Transparency (ACT) Group and the inter-agency Frowick Anti-corruption Task Force (FACT) continue to provide a valuable contribution that specifically addresses corruption issues.

5. *Media Reform.* Aim: A regulated, independent, and democratic media. Progress in the course of the reporting period has been notable. The Independent Media Commission (IMC) has actively developed regulations and guidance. In January 2000, the IMC Rule on Broadcast License Fees, an important part of the long-term licensing process, entered into force. The IMC also adopted new guidelines for equitable access to media during election periods and issued an Advertising and Sponsorship Code of Practice for Radio and Television. Most important, steps have been taken to remove political control and bias in the media. More still needs to be done.

In February, the IMC implemented its November 1999 decision to shut down hardline Croat-dominated Erotel TV for failure to accept the terms of an IMC Provisional Broadcast License, which would have involved shrinkage of its coverage area and Erotel's turning over surplus transmitters needed to establish Federation Television. Thanks to OSCE international oversight, broadcasts

during the election period covered the campaign in a manner more consistent with international norms than in the past.

Despite these positive steps, pressures persist, including political pressure aimed at encouraging self-censorship by journalists. Individual journalists continue to receive anonymous threats, some of which appear to be politically motivated. In April, OHR and OSCE jointly condemned abusive publications threatening independent journalists in Livno (Canton 10). The international community will continue to insist on adherence to licensing regulations and professional standards of conduct in journalism and through training and technical assistance programs, help journalists meet those expectations and understand why they are important.

6. *Elections and Democratic Governance.* Aim: National democratic institutions and practices. At the State level, all Dayton-mandated central institutions meet regularly, but their effectiveness could be enhanced. Pursuant to last November's New York Declaration agreed to by the Joint Presidents, a joint secretariat for the Presidency was created, and efforts were made to increase funding for the three under-funded State ministries. (Under a law adopted by the State Parliament, the number of ministries will increase to six.) In addition, BiH authorities have committed to issuance of a common passport and establishment of a central passport registry. With its deployment June 6, the State Border Service (see Benchmark 2) became the first multi-ethnic armed force under central government control. On June 6, the BiH House of Representatives approved the nomination of Spasoje Tusevljak as Chairman of the BiH Council of Ministers, a position which had been vacant since February because of the inability of the Parliament and the Joint Presidents to agree on a nominee. The United States has made clear that it intends to monitor closely Tusevljak's performance in carrying out critical government initiatives in a number of key areas of Dayton implementation.

There is resistance, particularly from the Serb side, to investing State institutions with real power, as they view increased State power as an infringement on entity prerogatives. Within the Federation, the threat of the National Interest Clause renders the legislative process slow and often ineffective. The April 8 municipal elections, successfully supervised by OSCE with SFOR's support, yielded free and fair results and overall increases for more moderate parties in the Federation and the Republika Srpska. The BiH Parliament has so far rejected the OSCE-drafted Election Law, despite international pressure. Some opposition parties strongly opposed the law as well. Nevertheless, planning is underway for the general elections, which OSCE has scheduled for November 11, 2000, to be held under OSCE supervision and under provisional rules and regulations that have been updated to incorporate essential elements of the draft election law. In November, voters will select members of the federal parliament, parliamentary bodies in both Entities, cantonal assemblies in the Federation, and the RS presidency.

Development of stronger central institutions continues to be of paramount importance. Last December, OSCE rules that no one illegally occupying another person's property could run for or hold office. Some officials have already been removed from office for refus-

ing to obey this order, and a number of candidates for the municipal elections were disqualified. Other officials have been removed for obstructing Dayton. In April and May, the administration in Livno (Canton 10), known for anti-Dayton activity, saw the removal from office of its governor, prime minister and minister of internal affairs by the High Representative. (See also Benchmark 5.) The President of the Federation Privatization Agency Management Board was removed in May. Enforcement of these actions by OSCE and OHR are supported by SFOR's continued maintenance of a secure environment, in which State and entity institutions can function and democratic elections can take place.

7. *Economic Development.* Aim: Free-market reform. Progress continues to be slow and uneven. While obstructionist politics prevent the implementation of many free market reforms, officials within the Bosnian government increasingly accept the need for them. Privatization remains a key goal of the economic reform effort in Bosnia and Herzegovina. After the U.S. Government suspended privatization assistance, Federation authorities began to address some of the issues impeding privatization. Progress has been made by increasing the number of privatization plans submitted and approved and by protecting investors from restitution claims. However, the pace remains slow. Both entities recently bowed to international community pressure to conduct privatization tenders in accordance with international standards. The tender process will utilize international experts. Republika Srpska authorities are more cooperative and continue to make solid progress in moving the privatization process forward.

Despite improved anti-corruption efforts (see Benchmark 4), corruption continues to be endemic in the economic systems of both entities. Payment bureaus, which developed in the 1950s and are non-transparent economic and management control institutions, are scheduled to be phased out by the end of 2000, which should pave the way for establishment of a sound banking sector. To this end, the law was changed to remove the Payment Bureaus' monopoly on transferring funds. The Central Bank has begun preparations to take over major inter-bank fund transfers, and commercial banks are being licensed to do routine transfers. Several banks have prepared privatization plans, and the first should be privatized soon. Also, Banking Agencies in both entities are moving to assume more authority, though OHR had to impose the immunity legislation necessary for their full effectiveness. The need for sound, prudent, fiscal management at both the entity and national levels cannot be overstated. The international community strongly supports establishment of a treasury function at the state and entity levels to optimize the financial management of government resources. We also encourage the state to assume a stronger economic regulatory function to reduce investment barriers and help unify BiH as a single economic space. Treasury legislation has passed one house of parliament at the state level and awaits parliamentary consideration in both entities.

8. *Displaced Person and Refugee (DPRE) Returns.* Aim: A functioning and orderly minority return process. This period has seen an unprecedented surge in displaced persons and refugee returns to pre-war homes. Minority returns to some of the previously most

hostile regions in the RS have taken place and appear to be gaining momentum. Only occasionally have majority groups in the RS publicly resisted returnees, and even these demonstrations were largely orchestrated rather than spontaneous. UNHCR estimates that for the first quarter of this year 7,377 registered minority returns took place, as compared to 1,721 for the same period of 1999—a four-fold increase. Due to the nature of spontaneous returns, only anecdotal information is available, but there appears to be a major increase in these as well. The bulk of these returns, however, continues to be to outlying, destroyed rural villages, where individuals take advantage of improved security conditions provided by SFOR to begin rebuilding while awaiting international assistance. Lack of assistance funds for shelter repair is the greatest obstacle to sustaining these returns.

Returns to urban areas continue to lag, particularly in the larger towns. One reason for the relatively slow pace of returns to cities has been the reluctance of local officials to adjudicate resolution of property claims, as well as the reluctance of local authorities to evict illegal occupants. Officials in the RS and in hardline Croat majority areas commonly obstruct evictions and minority reinstatements. To address this problem, OHR initiated a Property Legislation Implementation Plan (PLIP) late last year as the follow-up to the October package of amendments to property laws imposed on both entities by the High Representative. Security is no longer the primary concern of most returnees, with the possible exception of some hardline regions in the RS and, to a lesser extent, the Federation. According to a USAID-sponsored study, security and shelter remain the greatest needs for sustainable returns. Other important factors cited by respondents included employment and education, as well as infrastructure issues (power, water, health facilities, and transportation).

9. *Brcko*. Aim: Implementation of the Brcko Final Award. The March 1999 Final Award issued by the International Arbitral Tribunal for Brcko directed that a new, self-governing District be created by reunification of the entire pre-war opstina (municipality) of Brcko, although the IEBL is to remain in place for the time being. On January 20 Supervisor Farrand established a new, unified police force to replace the three separate forces that have operated there since the end of the war. On March 9, the Supervisor put into effect a new District Statute that is to serve as the “constitution” of the District and appointed to office the Mayor and other officials who will comprise the District administration. On March 31 the Supervisor installed a multi-ethnic District Assembly. Demilitarization of Brcko was completed in March by the full withdrawal of RS military forces from the District. Few protests against any of these developments took place, freedom of movement is now the norm, and minorities continue to return to the more rural areas of the District. Despite the seeming ease with which these major changes have been implemented, SFOR’s presence remains crucial to deterring attempts by hardliners to disrupt implementation of the Brcko Award through violence.

10. *Persons Indicted For War Crimes (PIFWCs)*. Aim: Cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) leading to the transfer of PIFWCs to The Hague for

trail. Thus far 49 PIFWCs have been transferred to The Hague for trial under open and sealed indictments. Acting within its mandate, SFOR has assisted in the transfer of indictees to The Hague and continues to support ICTY filed investigations in Bosnia. The most recently captured indictees, Mitar Vasiljevic (January 25), Dragoljub Prcac (March 5), Momcilo Krajisnik (April 3), Dragan Nikolic (April 21), and Dusko Sikirica (June 25) were detained by SFOR in Bosnia. Mladen Naletilic (Tuta), indicted for crimes in Herzegovina, was surrendered by the Government of Croatia on March 21. Cooperation from the parties, who are responsible for apprehending and turning over PIFWCs to ICTY, continues to vary widely. RS Prime Minister Dodik has expressed full support for SFOR to arrest indictees, but Bosnian Serb extremists continue to oppose action against PIFWCs in the RS. The RS Interior Minister has reportedly denied his Ministry's responsibility to execute ICTY warrants, while HDZ officials in BiH have openly supported Croat indictees. As noted above, democratic changes under the new government in Croatia have already made a positive impact in this regard.

The United States considers apprehension and detention of Serb PIFWCs Radovan Karadzic and Ratko Mladic to be of the highest priority in serving the interest of justice and facilitating Dayton implementation. Their success in avoiding apprehension to date sustains Bosnian Serb extremism, inhibits the establishment of trust between ethnic communities, undermines the credibility of the international community, and erodes the rule of law.

*Conclusion.* In my April report, I emphasized the critical role SFOR plays in providing the secure environment needed for democratic principles and free-market reforms to take root and grow. That role continues to be essential, as is noted in several places in this report. Progress on security and military stabilization has reduced our force requirements, but SFOR remains a vital part of the international community's efforts to help Bosnia and Herzegovina as it makes the transition from a period of military detente and reconstruction to emergence as an independent, democratic state with a viable economy. During the May 2000 PIC ministerial in Brussels, High Representative Petritsch, the European Commission, and the United States, along with other nations and international institutions, made clear that international assistance for BiH is diminishing and that in coming years its government and people must take "ownership" of their own future.

Results in this reporting period were tenuous but moving in a positive direction. In the April elections voters showed signs of weaning themselves from "nationalist" loyalties and moving toward government based on cross-ethnic, mutual interests such as the economy, law and order, and a future for their children. Multi-ethnic police forces are being trained and put in place. Efforts are underway to demolish party links to key sectors of the economy. The democratic change of government in Croatia and the possibility of medium- or long-term improvement in the FRY have removed or weakened negative external influences in domestic BiH politics. However, the continued presence of the Milosevic regime in Belgrade poses a threat of cross-border political manipulation and associated instability in the RS in the short term.

We are at a critical juncture: democracy and market economics, which donor nations and international financial institutions seek to introduce, are new concepts for Bosnia and Herzegovina. Ethnic rivalries persist, and political groups continue to exploit them to remain in power. The High Representative is removing the most egregious opponents of peace and democracy in greater numbers than ever before, but existing power cadres resist losing power wherever possible. The international community has agreed to focus its efforts in three major areas where this opposition is strongest: economic reform, building central institutions, and increased refugee returns. SFOR has proven its value in these areas, especially by fostering a more secure environment that has led to a surge in spontaneous returns of refugees and displaced persons. Through its role as a deterrent force, SFOR remains a critical partner in the Dayton peace process and a bulwark against the instability that the current FRY regime continues to generate in the region.

#### PART II

Section 1203(a) of the Fiscal Year 1999 National Defense Authorization Act requires submission of a semiannual report to Congress as long as United States ground combat forces continue to participate in the Stabilization Force (SFOR). This report supplements the "Bosnia Benchmarks" report required by PL 105-174 and is therefore submitted here in conjunction with that report. Where possible, where requirements overlap, I have sought to avoid duplication in the two reports. The numbered responses that follow correspond to specific numbered reporting requirements contained in section 1203(b).

1. *Expected duration of U.S. forces in Bosnia and Herzegovina.* No time limit has been established for total withdrawal of U.S. forces from Bosnia and Herzegovina (BiH). Ongoing reevaluations of required force structure have significantly reduced the U.S. footprint from a high of approximately 20,000 in 1996 to the current level of approximately 4,600. While SFOR has ensured an absence of war in BiH between the Entity Armed Forces (EAFs), the uncertain timetable for implementation of the political, humanitarian, and economic provisions of the General Framework Agreement for Peace in Bosnia and Herzegovina (GFAP or the Dayton agreement) makes prediction of a military withdrawal impossible. Additionally, the destabilizing influence of FRY president Milosevic in the entire region and the resulting potential for further conflict underscore the importance of a continued international peacekeeping force in Bosnia. While there has been progress in Dayton's implementation, much remains to be accomplished before NATO can consider total troop withdrawal.

During the last six months SFOR's successful restructuring, as approved by the North Atlantic Council, resulted in a manning reduction from approximately 34,000 to 23,000, a 30 percent decrease in forces. Restructuring initiatives included downsizing the number of battle groups and establishing a dedicated ground and air operational reserve for rapid employment options to support COMSFOR requirements. (See Part I, Benchmark 1.)

2. *Percentage of benchmarks completed.* No benchmark has been totally fulfilled to date, nor would I expect any to be completed in

the next reporting period. Substantial progress has been recorded in many areas, but completing the benchmarks will require time and continued commitment, as described fully in Part I of this report.

3. *Status of the NATO "force of gendarmes."* The Multinational Specialized Unit (MSU) continues to be an essential component of SFOR, which provides unique capabilities in information gathering and crowd control. The MSU carries out liaison with the International Police Task Force (IPTF) and local police. It deters disruptive civil behavior by demonstrating that SFOR can deal effectively with outbreaks and by maintaining a police-like professional presence throughout BiH that is less confrontational than a military response. These qualities, combined with the MSU's continuous patrolling and cooperation with local police and community leaders, help to foster an atmosphere of security and rule of law. During 1999, the MSU conducted over 300 control operations, and only two resulted in the use of force. There are about 470 mostly Italian troops assigned to the MSU in Bosnia. They operate under an Italian Carabinieri Commander, who oversees certification of specialized units from other contributing countries. Under recent SFOR restructuring, the MSU was to gain a second battalion, but due to continued manning problems, this has yet to take place.

4. *Military and non-military missions directed by the President for U.S. forces in BiH.* The U.S. Government supported the decision of the North Atlantic Council (NAC) to task COMSFOR, through SACEUR, with the mission of providing a continued military presence in order to deter renewed hostilities, contribute to a secure environment, and help stabilize the peace in BiH. The tasks outlined below were identified for NATO forces deployed to BiH.

Key military tasks:

- Maintain a deterrent military presence.
- Ensure continued compliance with the military aspects of the GFAP.
- Operate Joint Military Commissions (JMC) at appropriate levels.
- Contribute, within means and capabilities, to a secure environment in which the international civil organizations and the parties to the GFAP can carry out their responsibilities under the agreement.
- Ensure force protection and freedom of movement for SFOR.
- Monitor Entity Armed Forces activities and inspect Weapons Storage sites, within capabilities and in close coordination with relevant international organizations.
- Be prepared to coordinate turnover of responsibility for Airspace Management/Control to the BiH Department of Civil Aviation when directed. (See below, Section 4(D).)

Key supporting tasks, within the means and capabilities of SFOR:

- Provide support on a case-by-case basis to the Office of the High Representative (OHR) in implementing the civil aspects of the GFAP.
- Support the implementation of the Brcko Arbitration Award.
- Support the conduct of elections and installation of elected officials.

- Support the return of displaced persons and refugees by contributing to a safe and secure environment, but not forcibly returning them or undertaking to guard individual locations.
- Support the International Criminal Tribunal for the Former Yugoslavia (ICTY) and efforts against persons indicted for war crimes (PIFWCs).
- Support the OHR and International Police Task Force (IPTF) on a case-by-case basis in assisting local police, providing back-up, and contributing to a secure operating environment, without undertaking civil police tasks.
- Provide support on a case-by-case basis to the OSCE in implementing Annex 1B (Agreement on Regional Stabilization) of the GFAP in BiH.
- Support the continued development of the Standing Committee on Military Matters (SCMM).

With regard to specific issues raised under reporting requirement 4:

(A) *Persons Indicted for War Crimes:* During this reporting period numerous operations were conducted in support of the ICTY, including support for the exhumation of war crimes sites. Five PIFWCs were detained by SFOR forces and transferred to ICTY custody in The Hague. There was little public protest in the RS and no significant political reaction. (See Part I, Benchmark 10.)

(B) *Support to civilian police functions:* As long as organized opposition to Dayton continues, the OHR, UN, and other international organizations involved in civil implementation will rely on SFOR to provide a secure environment and to provide back-up in the case of civil unrest fostered by Dayton opponents. (See also Part I, Benchmarks 2, 3, 4.)

(C) *Resettlement return of refugees:* During this reporting period, SFOR continued close co-operation with the OHR and UNHCR to encourage returns. Minority refugee returns for the first quarter of 2000 registered a four-fold increase over the same time period in 1999. SFOR will focus on advanced planning, enhanced information exchange to identify hot spots, and maintaining a secure environment to minimize any efforts to intimidate returnees. (See Part I, Benchmark 8.)

(D) *Support to local and international authorities:*

*Elections.* SFOR continued to provide wide-area security during recent municipal elections. Reports of violence and opposition to elections were few, and SFOR's presence proved essential to a fair campaign and vote. (See Part I, Benchmark 6.)

*Crime and Corruption.* Crime and corruption remain significant threats to the secure environment in BiH, impeding progress in civil implementation of the GFAP. SFOR continues to exploit information obtained during Operation WESTAR in 1999, which revealed links between foreign intelligence services and organized crime in BiH. However, civilian authorities have achieved only limited progress to date in developing a proper legal framework and comprehensive strategy to address these problems. SFOR continues to support UNMIBH and OHR efforts to develop a State Border Service, which just began operations. (See Part I, Benchmarks 2, 3, 4.)

*Brcko.* Since the Brcko Arbitration Award in March 1999, the Brcko District has been completely demilitarized with the full cooperation of the EAF. (See Part I, Benchmark 9.)

*Airspace Control.* During January 2000, SFOR returned to Bosnian authorities control of the BiH upper airspace, which NATO had controlled, as provided for in the GFAP, since initial implementation of IFOR. SFOR is currently working with local authorities to develop a state-level approach to other civil aviation issues, including management of the airport in Sarajevo. Although progress has been slow in this area, this latest development is a major step closer to realization of full civil control of the country's aviation industry.

5. *Assessment of threats to the United States forces:* The Secretary security situation in BiH remains stable but not peaceful. The EAFs generally comply with the GFAP and cooperate with SFOR, so maintenance of public order is normally not a problem. The detention of several Bosnian Serb PIFWCs, the announcement of a lengthy sentence for war crimes of a Croat General, and municipal elections in April were all conducted peacefully. As part of the weapons reduction initiative, the EAF destroyed weapons and equipment while disbanding forces in the Brcko District. Continued cooperation between the RS Army and Federation Army on civil projects and demining continues to improve. Following the successful completion of a 15 percent force reduction by both EAFs, the BiH Presidency made a commitment to achieve a further 15 percent reduction in 2000. Plans are currently being developed by the EAFs to meet this commitment.

BiH authorities, civil and military, have yet to develop the legitimate, responsible, and accountable state institutions necessary to achieve the ultimate goal of a self-sustaining peace. However, the latest Supreme Headquarters Allies Powers Europe (SHAPE) and SFOR estimates view the likelihood of an internal military threat as remote. There has also been significant improvement in the external security situation of BiH, due to recent democratic political change in Croatia. On the other hand, uncertainty and instability persist in the neighboring FRY, particularly Montenegro, and provocations by the Milosevic regime and other extremist forces in Serbia will continue to threaten the security of BiH and the entire region. In the circumstances, the force for moderation and stability represented by SFOR remains essential for continued progress in civil implementation.

6. *Assessment of costs:* Since FY 1996, the cost to the Department of Defense of the military missions that I directed in Bosnia and Herzegovina has been about \$9.5 billion. These costs are summarized below (in millions):

Operation	FY 2000 PB	FY 1999 actual	FY 1998 actual	FY 1997 actual	FY 1996 actual
Deliberate Forge .....	142.7	141.4	159.4	183.3	225.9
Joint Forge .....	1460.2	*1,431.2	1,792.8	.....	.....
IFOR/IFOR Prep .....	.....	.....	.....	2,087.5	2,231.7
Provide Promise .....	.....	.....	.....	.....	21.7
Sharp Guard .....	.....	.....	.....	.....	9.3
Able Sentry .....	.....	14.0	10.5	11.7	30.9
UNCRO .....	.....	.....	.....	.....	0.5

Operation	FY 2000 PB	FY 1999 actual	FY 1998 actual	FY 1997 actual	FY 1996 actual
Totals .....	1,602.9	1,586.6	1,962.7	2,282.5	2,520.0

\*This reflects a correction of \$48.7 million from the previously reported amount of \$1,382.5 million.

Operation Deliberate forge (follow-on to Deny Flight, Decisive Edge, and Deliberate Guard) involves air operations for maintaining the no-fly zone over Bosnia.

Operation Joint Forge (follow-on to IFOR, SFOR, Deliberate Force, Joint Endeavor, and Joint Guard) is the NATO operation to deter the resumption of hostilities and to contribute to a secure environment that promotes the reestablishment of civil authority in Bosnia and Herzegovina. Operations financed include continued support of a U.S. Division headquarters by a U.S. Brigade Combat Team Task Force with a force capacity of approximately 6,200 in Bosnia, reduced to 4,600 in April 2000, support of approximately 600 enabling soldiers in adjacent countries (RIM), five base camps reduced to four by the fourth Quarter of FY 2000, and two troop rotations per year.

IFOR Preparation and IFOR included the costs of preparing U.S. troops for deployment to IFOR, which was the peace implementation force in the Former Republic of Yugoslavia.

Operation Provide Promise was the military operation that airlifted and airdropped humanitarian supplies into Bosnia.

Operation Sharp Guard enforced the United Nations-sanctioned embargo against the FRY (excluding the enforcement of the arms embargo against Bosnia) conducted in conjunction with Western European Union forces.

Operation Able Sentry was U.S. participation in the United Nations preventive deployment along the Serbian/Macedonian border (UNPREDEP).

UNCRO was support provided to the Zagreb hospital in support of the United Nations in Croatia.

7. *Status of future operation plans:* As these two reports indicate, there has been a continued, gradual improvement in all aspects of civil implementation and the security situation in Bosnia during the reporting period. The EAFs have been cooperative, and implementation of the final Brcko arbitration decision has been uneventful. The municipal election campaign and vote were free, fair, and generally free of violence. Increasing flows of returning refugees and internally displaced persons continue, and national elections are scheduled for November 2000. To the extent that Bosnia slowly moves toward normalcy and as its leaders and citizens take on greater responsibility for implementing all aspects of the agreement, the requirement for an overwhelming NATO presence should diminish. The restructuring of forces envisioned in SFOR's revised OPLAN 10407 was successfully implemented and appears thus far to have left SFOR with means and capabilities adequate for continued fulfillment of its key objectives and supporting tasks. The reduction in SFOR forces, including U.S. forces, reflects an ongoing assessment at NATO and in Washington that the threat of a resumption of hostilities by the Entity Armed Forces remains low. NATO will continue to evaluate its presence and the forces required based on these elements. Continued U.S. presence and leadership in this force will remain a critical element of its success.

In conclusion, the Administration is grateful for the support of Congress for Dayton implementation. I look forward to continuing to work with the Congress in pursuit of U.S. foreign policy goals in the Balkans.

