

S. HRG. 111-660

**UNFINISHED BUSINESS IN SOUTHEAST EUROPE:
OPPORTUNITIES AND CHALLENGES IN THE
WESTERN BALKANS**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

APRIL 14, 2010

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpoaccess.gov/congress/index.html>

U.S. GOVERNMENT PRINTING OFFICE

61-706 PDF

WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
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UNFINISHED BUSINESS IN SOUTHEAST EUROPE: OPPORTUNITIES AND CHALLENGES IN THE WESTERN BALKANS

TUESDAY, APRIL 14, 2010

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

The committee met, pursuant to notice, at 2:30 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Jeanne Shaheen, presiding.

Present: Senators Shaheen, DeMint.

Also present: Senator Voinovich.

OPENING STATEMENT OF HON. JEANNE SHAHEEN, U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. Good afternoon, everyone. Thank you for joining us for what I hope will be a very insightful discussion about the current political, economic, and security trends in the Western Balkans.

I'm very pleased to be joined this afternoon by a former member of the Senate Foreign Relations Committee, Senator Voinovich, who has been a long-time champion of the Western Balkans.

Today we have two very impressive panels and I will reserve introductions for a little later, after I've given an opening statement.

In February Senator Voinovich and I made an extensive trip to Southwest Europe where we had the opportunity to sit down with military and political leaders from across the Western Balkans. We were struck by the progress that has been made and we reiterated our commitment to support for continued U.S. engagement in the region. Most importantly, we expressed our joint vision of a Western Balkans region that is fully integrated into the EU and NATO.

Though we will likely focus much of our time today on the challenges that remain in the region, I think it's important to begin by putting the current situation in context. It was only 15 years ago that the Dayton Peace Agreement brought an end to the war in Bosnia and it was only 10 years ago this spring that NATO bombs fell on Belgrade.

When you consider the very recent history of divisiveness and violence that befell this region, it is difficult to overstate the impressive successes that we've seen there over the past decade. Slovenia is a thriving member of the EU and NATO. Croatia, already a NATO member, is on the doorstep of the EU. Serbia's current government has shown impressive leadership in anchoring Belgrade's

future to the West and most recently made a very important notable attempt to turn the page on a difficult past by passing a resolution apologizing for the 1995 massacre at Srebrenica.

In addition, several countries of the Western Balkans have gained visa liberalization within Europe, and most have a realistic path toward NATO and EU membership. The trends are positive throughout the region, and many countries should be commended for their commitment to tackling political, economic, and military reforms.

Despite these positive signs in the region, some major concerns remain. First and foremost is the situation in Bosnia and Herzegovina. Many of us here know well the political challenges in Bosnia and the need for significant reforms. Unfortunately, the current election season does not bode well for serious internal political change.

A well-timed strong commitment to eventually bring Bosnia into NATO's sphere through the Membership Action Plan could undermine those leaders who would exploit fear and uncertainty during this election process.

Now, I certainly understand that some are reticent to be seen as rewarding the current Bosnian leadership. However, what we heard in the region was unanimous agreement that a strong commitment from NATO at this time could help propel Bosnia's leadership into action. At the very least, hopefully the people of Bosnia will see a realistic path forward, a possible work plan or roadmap.

Another critical challenge for the region is the situation between Kosovo and Serbia. There's no question that the dream of the united Europe will not be realized without Serbia. To its great credit, the leadership in Belgrade has demonstrated their commitment to Western institutions and has made EU membership its top foreign policy priority.

As Vice President Biden said during his trip to Belgrade, "We continue to agree to disagree" over Kosovo and although recognition of Kosovo should not be a precondition of our ongoing support for Serbia eventually becoming a member of the EU, it's evident that the disagreement over Northern Kosovo will remain a stumbling block for future integration prospects.

With an expected opinion from the International Court of Justice this year on Kosovo's independence, it's critical that we begin to lay the foundation now for finding a creative, pragmatic, and sustainable resolution between Kosovo and Serbia.

Finally, I want to express concern over what we heard in so many capitals that we visited about the widely held perception of so-called EU enlargement fatigue. The worry that there will be no viable membership path for the countries of this region could undermine their reform agenda and stop the positive momentum we've seen in recent years.

Deputy Secretary of State [James] Steinberg's recent trip to the region with the Spanish Foreign Minister, whose country holds the rotating Presidency of the EU, sends an important signal that both the United States and the EU will remain robustly engaged in the region.

If we're to help keep these countries on the path toward European integration, the United States will need to continue to work

closely with Brussels and the capitals of our European allies. Over 60 years ago, after two devastating World Wars on the European Continent, the United States and our transatlantic allies made the historic commitment to bring about a Europe that is whole, free, and at peace. Our pledge to rebuild this continent has come with extraordinary effort, time, and cost, and yet it still remains incomplete.

We have an opportunity to help the people of Southeast Europe finally turn the page on their past and start a new chapter in their shared history. We've invested far too much in this effort to let it slip now.

I look forward to hearing from our witnesses about their ideas and plans for accomplishing this important vision, and now I'm happy to turn over to Senator Voinovich the opportunity to make an opening statement.

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

Senator VOINOVICH. Thank you, Senator Shaheen. I am really very happy to be given this opportunity to come back and visit the Foreign Relations Committee and appreciate your making it possible for me to sit with you in what I consider to be a very important hearing on the unfinished business in Southeast Europe.

I'd also like to thank the chairman of the committee, Ranking Member Lugar, and Senator DeMint, for allowing me the courtesy of participating at today's hearing.

This is going to be my last year in the Senate, and many of you know that I've been working on Southeast European issues since my arrival to the Senate and, quite frankly, before that as, not officially, but as Governor of the State of Ohio, and I am truly heartened that Senator Shaheen, as chairman of the European Subcommittee, has provided some wonderful leadership in this area and is as familiar with it as I have been, and I'm grateful to be able to publicly to thank her for the time that we spent together there which involved, I think, six countries and 26 meetings; it was very, very worthwhile.

During the time that we were there, we talked about constitutional reform and expedited map status for Bosnia, the need to maintain KFOR troop levels in Kosovo given the impending International Court of Justice decision on Kosovo independence, and the need for an expeditious and amicable resolution of the Macedonia—the FYROM (Former Yugoslav Republic of Macedonia)—name issue so that we can quickly integrate that country into the European atlantic institutions.

During all our meetings, what was made clear is the security, stability, and economic well-being of the region. It was very interesting. I met yesterday with businessmen that have been in it for about 15 years and talked about our visit there, and they applauded the fact that we continue to work to make sure that the right infrastructure is there. They're as much concerned about some of this as we are because they've worked so hard. They would not like to see black holes that just don't seem to be going anywhere and would not be part of our vision to get everyone into NATO and into the European Union.

We have some distinguished witnesses here today. I welcome Ambassador Vershbow here and Assistant Secretary Philip Gordon. We had a chance to meet when we were in Brussels, and the two other witnesses that we're going to have, Ivan Vejvoda was at Brussels and Kurt Volker was with us 2 years ago, and so we're appreciative of your being here today.

I'd like to underscore the positive comments that the chairman made in regard to what's happened in the region. It's almost miraculous. One of the great days of my life was to be involved in a panel with the two presidents, Josipovic from Croatia and Tadic from Serbia, and the man that's in charge of European Enlargement, but the thing that really made an impression on me was here were the President of Serbia, the President of Croatia sitting on the same platform together, both talking about how they were going to try to work to make sure that things work out in Bosnia, both talking about how they're going to try to work together to improve the environment in the region and that was supported from the meetings that we had with others throughout the region.

It was very interesting. Everyone was interested in their particular country, but everyone understood that there was this symbiotic relationship among the countries that were there and that the more they were able to cooperate with each other the better off all of them were going to be which is something that I've dreamed for for a long period of time.

So, Madam Chairman, thank you very much for giving me this chance to sit here; I'm anxious to hear from our witnesses.

Senator SHAHEEN. Thank you very much, Senator Voinovich, and let me just recognize some of the ambassadors who are in the audience. Maybe you could just indicate who you are when I announce you so that I know you're in the audience. I just am not sure where you are.

We have the Croatian Ambassador right in front. Thank you. The Macedonian Ambassador. The Serbian Ambassador. Bosnian Ambassador. Montenegrin Ambassador. Thank you all very much for joining us this afternoon. Oh, I'm sorry. Kosovo Ambassador. We'll have to improve on our briefings from now on.

As Senator Voinovich has indicated, on our first panel we have the Honorable Philip Gordon, who is the Assistant Secretary of State at the Bureau of European and Eurasian Affairs, and the Honorable Alexander Vershbow, the Assistant Secretary of Defense for International Security Affairs.

These officials are responsible for coordinating U.S. policies in the Balkans Region. Both have spent their long and distinguished careers working extensively on European affairs.

Thank you both for coming. We're pleased to have you in front of this subcommittee and we look forward to your insights and ideas on this important region.

Ambassador, Assistant Secretary Gordon, would you like to begin?

STATEMENT OF HON. PHILIP GORDON, ASSISTANT SECRETARY OF STATE FOR EUROPE AND EUASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. GORDON. Sure. Thank you very much, Chairwoman Shaheen.

It's a pleasure to be here, and I want to thank you for inviting me to discuss our policy toward the Western Balkans, what the committee has rightly defined as unfinished business.

This is a region that we consider to be crucial for Europe's future. It is a region that has been the focus of continued intensive engagement by the Obama administration. I look forward to updating you on our efforts.

I also want to acknowledge the presence here of Senator Voinovich who, as already noted, with whom I had an excellent meeting in Brussels a couple of weeks ago on the very subject that we are discussing today.

Senator, I think everybody in this room knows that your leadership on United States policy toward the Balkans has been instrumental in the past couple of decades in moving this region toward peace and democracy. We're all grateful to you for that.

I welcome the opportunity to work with Chairwoman Shaheen, Senator DeMint, and other members of the committee to build on the legacy that you have left.

The recent trip that Senator Voinovich and Senator Shaheen took to the region highlighted, as they summarized in their opening statements, both the progress the region has made as well as the challenges that remain, and I look forward to discussing both of those today.

United States objectives in the Western Balkans are bound up with the historic work of building a prosperous, democratic, unified, and secure Europe. This is a goal that has been pursued with determination and vision by generations of Europeans and Americans—Americans from both sides of the political spectrum.

The last two decades have witnessed extraordinary success as the nations of Central and Eastern Europe have joined the European Project, but this project is not yet complete. It must extend to all countries across the Continent and that includes the Western Balkans. We believe the path to completing this project for the Balkans is through integration into Europe's political and economic institutions.

The progress we have seen during the last 10 years is testament to the power of sustained outside engagement, internal political reform, and the process of EuroAtlantic integration.

When I served in government in the late 1990s, alongside Assistant Secretary Vershbow in the Clinton administration, war in Bosnia was still a fresh memory, and Kosovo was consumed by violence and so-called ethnic cleansing. Today, following a decade of hard work, we have witnessed dramatic political and social transitions in both places.

With Montenegro's peaceful separation from Serbia in 2006 and Kosovo's declaration of independence in 2008, the final chapter in the breakup of the former Yugoslavia was closed. Now the nations of the Balkans are on the path toward integration into Europe's community of political and economic freedom. Nearly every country in the Balkans has taken steps toward EU membership.

Croatia has moved forward in its EU accession negotiations. Macedonia is a candidate and Serbia and Albania have submitted membership applications. Countries of the region are also well on their way to integration within NATO. Croatia and Albania became

members of NATO in 2009. Macedonia is on NATO's doorstep and will receive an invitation to join as soon as the dispute over its name is resolved.

At the end of last year, Montenegro embarked on a membership action, plan and Bosnia will do so when it completes the necessary reforms. Though the progress we have seen is encouraging, there remains substantial distance to travel, and I would like to just mention three important challenges to completing the integration of the Western Balkans into the EuroAtlantic community: The political situation in Bosnia and Herzegovina, Kosovo's stabilization, and the ongoing dispute between Greece and Macedonia over the latter's name.

We are determined to move Bosnia along the path of political reform. We will work alongside the EU to continue the dialogue on reform, to protect the integrity of the Dayton Agreement in Bosnia and state institutions, and to promote a productive atmosphere leading up to the October 2010 national elections in Bosnia.

This is the message that Deputy Secretary of State Jim Steinberg, alongside Spanish Foreign Minister Moratinos, took to Sarajevo just last week. Bosnia's political leaders have, so far, not demonstrated the political will necessary to advance reforms. However, we know that Bosnia's citizens, especially its young people, want to be part of Europe and to take advantage of all the opportunities that come with that, including travel, education, and commerce. It is to them that Bosnia's leaders are ultimately answerable.

Kosovo has come far in its 2 years of independence but has much work to do. Sixty-six countries across the world have now recognized that it is a sovereign and independent state. Kosovo's independence is irreversible. The important task of decentralizing government must continue. The protection of Serb religious and cultural sites remains an important priority that will have an impact on the success of decentralization and interethnic relations throughout Kosovo.

Kosovo's Government must also move aggressively to improve the rule of law in the country by passing and implementing critical legislation that will strengthen Kosovo's institutions, modernize its judicial process, and update its legal codes and in line with democratic standards. On the economic front, the Government must implement the reforms necessary for the private sector to grow.

Serbia also has an important role to play on issues that will have practical benefits for the people of Kosovo. Dialogue and cooperation to address practical day to day issues, such as electricity supply, customs, and courts, are in everyone's interests and will improve the lives of all people in Kosovo, including Kosovo's Serbs.

Supporting Macedonia's integration into NATO and the EU remains a vital element in our efforts to promote peace and stability in the Balkan region. To bring this about, the ongoing name dispute with Greece must be resolved as soon as possible.

We are encouraged by bilateral contacts at the highest levels in recent months to build confidence and to make progress on this issue. In the interests of both countries and, indeed, in the stability of the entire region, leaders in both Macedonia and Greece must now take bold and decisive action to resolve this issue once and for all.

Despite the challenges that remain, the Obama administration remains confident that, with close coordination with our European partners and the willingness of regional leaders to make the right choices, the Western Balkans can complete their path towards EuroAtlantic integration.

Credible prospects of membership in the EU and NATO remain the most powerful incentive for continued reforms. To ensure the positive effect of these incentives continues, we must not compromise on the high standards we expect of prospective EU and NATO members.

Ultimately, of course, the burden of achieving EuroAtlantic integration and through it security and prosperity lies with the leadership and the people of the Western Balkans. If the countries of the Western Balkans are willing to make the hard choices necessary, the United States, the Obama administration will stand with them.

Madam Chairwoman, Senator Voinovich, thank you for this opportunity, and I look forward to responding to your questions.

[The prepared statement of Mr. Gordon follows:]

PREPARED STATEMENT OF HON. PHILIP H. GORDON, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Chairwoman Shaheen, Ranking Member DeMint, members of the committee, thank you very much for inviting me here today to discuss U.S. policy toward the Western Balkans. This is a region that is crucial to Europe's future. For that reason, it has been the focus of continued and intensive engagement by the Obama administration and I look forward to updating you on our efforts.

Today, I would like to do four things. First, I would like to explain why the integration of the Western Balkans into the Euro-Atlantic community is a high priority for the United States. Second, I will outline the progress we have seen in recent years in the region. Third, I will describe challenges that remain in the region—in particular, the absence of political compromise in Bosnia, the stabilization of Kosovo, and the dispute between Greece and Macedonia over the latter's name. Finally, I would like to describe policies that the administration will pursue, in close coordination with our European partners—and in consultation with Congress—to achieve our long-term objective of successfully integrating the region into the Euro-Atlantic community.

THE WESTERN BALKANS AND EURO-ATLANTIC INTEGRATION

Our objectives in the Western Balkans are bound up with the historic work of building a democratic, prosperous, unified, and secure Europe. This is a goal that has been pursued with determination and vision by generations of Europeans and Americans. The last two decades have witnessed extraordinary success as the newly free nations of Central and Eastern Europe have joined the European project. But it is a project that is not yet complete. It must extend to all countries across the continent, and that includes the Western Balkans. We have a vision of a democratic, peaceful, and prosperous region and we believe the path to achieving this vision for the Balkans is through integration into Europe's political and economic institutions.

Perhaps the best way to understand the logic of this approach is to briefly consider the troubled history of this part of Europe. Consider what Southeastern Europe looked like at both the beginning and end of the 20th century. The Balkan wars preceding World War I and those of the 1990s saw the region racked by ethnic rivalry, hypernationalism, and bloody wars. These conflicts demonstrate the stakes of politics in the region—for the citizens who live there and for outside powers that were inevitably drawn in. Though the experience of the 1990s differs in many ways from that of pre-World War I Europe, I think it is fair to say that the fundamental problem that lay behind this history of conflict was the mismatch between geopolitical and ethnic boundaries and the absence of adequate political mechanisms to deal with this mismatch. What this difficult history teaches us is that attempts to resolve this contradiction through force are doomed to foster only further conflict and violence.

Other parts of Europe have faced these same challenges, and the experience of Western Europe after World War II and Eastern Europe after the cold war dem-

onstrates that there is another and a better way: the path of political and economic integration. The twin pillars of this process are NATO and the European Union. Progress for the continent has come from transnational cooperation and institutions that guarantee the rights of citizens, promote economic freedom, ensure the inviolability of borders, and provide a reliable forum for the peaceful resolution of disputes. Moreover, the opportunity for political engagement that crosses national borders reduces the salience and pressure of ethnic and regional disputes within nations. That is the promise of the project of European integration: the peaceful resolution of disputes through a common political enterprise and shared wealth and opportunity through a common market.

The lesson of the 1990s is that significant portions of Southeastern Europe did not share in this experience and we saw the tragic human consequences. The United States and European countries and institutions have an essential role to play in engaging with the region in a strategic and sustained manner. But the responsibility ultimately lies with the countries of the region themselves who must do the hard political work of reform and reconciliation.

PROGRESS TO DATE

The progress we have seen during the last 10 years is testament to the power of sustained outside engagement, internal political reform, and the process of Euro-Atlantic integration. When I was last in government, in the late 1990s during the Clinton administration, war in Bosnia was still a fresh memory and Kosovo was consumed by violence and ethnic “cleansing.” A decade of hard work has brought us much closer to realizing our goal of including the Western Balkans in a peaceful and democratic Europe. All of the countries of the region have undergone dramatic political and social transitions in recent years. With Montenegro’s peaceful separation from Serbia in 2006 and Kosovo’s declaration of independence in 2008, the final chapter in the breakup of the former Yugoslavia was closed. Now, nearly every country in the region has taken concrete steps toward integration into Euro-Atlantic structures.

Two years after independence, Kosovo’s leadership has made tremendous progress. The Government of Kosovo is building roads and schools as well as ministries and agencies. Two thousand nine was a year of growth and consolidation for Kosovo’s institutions, marked by the birth of the Constitutional Court and the success of the first democratic elections managed by Kosovo’s Central Elections Commission. Kosovo Serb turnout in the newly established Serb-majority municipalities was significant, and four new ethnic Serb mayors were elected. Kosovo and Macedonia also reached a historic agreement demarcating their shared border and opened full diplomatic relations. Kosovo and Montenegro have also established full diplomatic relations.

The EU is a crucial partner to the United States in our efforts to keep Kosovo on the path of reform and progress. We were pleased to see the European Commission’s October 2009 strategy paper, which set forth practical measures that underscore Kosovo’s European perspective and will help to ensure Kosovo moves forward along with other countries in the Western Balkans. We appreciated EU High Representative Ashton’s recent visit to Kosovo to reinforce the message that it, too, has a future in the EU, along with its neighbors in the region, and that the EU is working with Kosovo toward visa liberalization and an interim trade agreement. The United States is proud to contribute personnel to the European Rule of Law mission, EULEX, deployed in December 2008, which is now building capacity in Kosovo’s police, customs, and judicial institutions. Because of advances in establishing peace and stability, NATO’s Kosovo force has begun a phased process to drawdown its forces.

This year, Bosnia and Herzegovina will mark 15 years since the genocide at Srebrenica and the subsequent signing of the Dayton Peace Accords. Bosnia has made significant progress addressing the problems and challenges that are the legacy of the war. Today, Bosnia has a single military, is a member of NATO’s Partnership for Peace, and has taken the first major step on the road to EU membership by signing a Stabilization and Association agreement with the EU.

Serbia has elected a pro-European, democratic government, which is moving to institute rule-of-law and market reforms and pursuing improved relations with its neighbors—with the important exception of Kosovo. The Serbian National Assembly passed a resolution on March 31 condemning the crimes committed at Srebrenica and calling for the capture of war crimes fugitive Ratko Mladic. In addition, we were pleased to see Serbia take three significant steps toward EU integration in 2009. In addition to the EU decision to extend visa-free travel in the Schengen zone to Serbian citizens—as well as Macedonians and Montenegrins—Serbia’s Interim

Trade Agreement with the EU was unfrozen, and Belgrade submitted its EU membership application; these actions all represent positive signs of Serbia's progress on its European path. We understand the EU will review Serbia's Stabilization and Association Agreement later this year, perhaps as early as this summer.

We also support Albania's full integration into the Euro-Atlantic fold. While we believe the Albanian Government should do more to combat corruption, and we hope to see an end to the country's parliamentary stalemate, Albania has played a constructive role in the region and beyond, by engaging ethnic Albanians in the region, bringing about reconciliation of Albanian and Serbian communities, by renewing high-level political exchanges with the Government of Serbia after a 5-year hiatus, and by supporting Serbia's and Kosovo's Euro-Atlantic integration. Albania has also just submitted its answers to the European Commission's membership questionnaire.

Croatia is far along in its EU accession negotiations and we are paying close attention to efforts to resolve the Slovenia-Croatia border dispute. The United States supports Croatia's European Union candidacy. We hope and expect Croatia can complete negotiations this year. If an accession treaty is ratified quickly, Croatia might enter the EU in early 2012. Of course, this timeline is based upon Croatia's maintaining its pace of reform, including continuing its cooperation with the ICTY and following through on recent commitments to ratchet up the fight against corruption.

The countries of the region have also taken steps toward integration into NATO. Albania and Croatia joined the Alliance in 2009. Macedonia will receive an invitation to join NATO as soon as the dispute with Greece over its name is resolved. Montenegro was invited to enter the Membership Action Plan (MAP) at the December 2009 NATO Ministerial and will start its first MAP cycle this fall. We would like to see Bosnia's candidacy for NATO membership move forward. As Ministers noted in December, Bosnia will join MAP once it achieves the necessary progress in its reform efforts. Holding countries to their reform commitments is of fundamental importance to the integrity of the membership process. In the interim, we and our NATO allies will support and assist Bosnia's Government to make the necessary changes.

The door to NATO remains open for Serbia. We were pleased when Serbia appointed an ambassador and military representative to NATO last year and we look forward to the implementation of an information security agreement that will enable the opening of Serbia's mission to NATO in 2010. We also hope Serbia will take a more active role in the Partnership for Peace Program, which it joined in 2006, to complement our very robust bilateral military-to-military contacts. Serbia joined the South East Defense Ministerial in 2009, which should lead to increased regional engagement. We've also encouraged Serbia to seek opportunities to participate in international peacekeeping efforts.

Finally, let me note that almost all countries in the region are contributing forces to help advance stability in other regions of the world, including to the International Security Assistance Force (ISAF) in Afghanistan. For those countries still aspiring to join NATO, their ISAF involvement is a tangible expression of their willingness to take up the burden of international security.

REMAINING CHALLENGES

Though the progress we have seen is encouraging and demonstrates how far the Western Balkans have come, there still remains substantial distance to travel before the region is fully integrated into the fabric of European and Euro-Atlantic institutions. Addressing the last remaining obstacles to full Euro-Atlantic integration is the responsibility of leaders in the Western Balkans and it is also the object of coordinated U.S. and European engagement in the region. I will focus my remarks on three principal issues which are of the greatest concern to the United States and whose resolution can make the greatest difference to the region's prospects for joining the Euro-Atlantic community: the political situation in Bosnia and Herzegovina, Kosovo's stabilization, and the ongoing dispute between Greece and Macedonia over the latter's name.

Bosnia

For the better part of the last 4 years, Bosnia's political leaders have not demonstrated the political will necessary to advance reforms. They have been stuck in a vicious cycle where narrow ethnic and short-term personal political interests have trumped shared, long-term objectives that would benefit all of Bosnia's communities. During his May 2009 speech to the Parliament of Bosnia and Herzegovina, Vice President Biden emphasized the need for Bosnian authorities to work together across ethnic and party lines so that Bosnia could function as a single, sovereign state. Last October we and the EU started intensive consultations with the political

party leaders in Bosnia—the so called Butmir process, named for the military base where the talks began. The goal of this initiative was to reach consensus among the parties to improve the functionality of the state so as to position Bosnia for EU candidacy and the NATO membership process, and resolve the so-called 5-plus-2 objectives and conditions established by the Peace Implementation Council for closing the Office of the High Representative. It was not an attempt to radically change Dayton, create a centralized state, or alter Bosnia's two-entity structure. But the initiative would resolve basic inconsistencies between the Dayton constitutional framework and the European Convention on Human Rights, give the Bosnian state the clear lead on matters related to EU accession, and improve efficiency and effectiveness of decisionmaking—all of which are needed for Bosnia to move closer to NATO and the EU.

The parties regrettably have not found a way to move the process forward, and we are now entering an election season, making prospects for compromise and agreement all the more challenging. Nevertheless, we are making clear to Bosnian party leaders that the election is not an excuse to do nothing and that they have an obligation to work in the best interests of their citizens. This is the message Deputy Secretary Jim Steinberg, along with Spanish Foreign Minister Miguel Moratinos, took to Sarajevo last week. We are determined, along with the EU, to continue the dialogue on reform, protect the integrity of the Dayton Agreement and Bosnian state institutions, and promote a productive atmosphere leading up to the October 2010 national elections in Bosnia and beyond. Ultimately, however, the burden of achieving Bosnia's aspirations rests on Bosnia's political leaders and their willingness to compromise. If they choose not to do so, they will have to explain to their voters why Bosnia's neighbors are moving ahead, while Bosnia is left behind. Bosnia's citizens, especially its young people, want to be part of Europe and to take advantage of all the opportunities that come with that, including travel, education, and commerce, and it is to them that Bosnia's leaders are answerable.

Kosovo

Sixty-five countries across the world have recognized Kosovo as a sovereign and independent state—Kosovo's independence is irreversible. Kosovo has come far in its first 2 years of independence, but has much work to do. We are working closely with Kosovo's Government to address a range of remaining challenges. The important task of decentralizing government must continue. To succeed, the government must step up its outreach to Kosovo's Serb community, including in northern Kosovo, to outline the benefits of decentralization, which will bring governance closer to the people. The government must also ensure that municipalities have all the support they need to succeed in exercising their new functions and providing services to citizens. The protection of Serb religious and cultural sites remains an important priority that will have an impact on the success of decentralization and interethnic relations throughout Kosovo. Getting decentralization right will help lay the groundwork for a prosperous, democratic future for all of Kosovo's citizens.

Strengthening rule of law is a critical priority for Kosovo; in fact it is the key to success in other areas. The Kosovo Government has begun to build the legal framework and judicial institutions for a stable, successful justice system. But the government must move aggressively now to tackle remaining deficits by passing and implementing critical legislation that will strengthen Kosovo's institutions, modernize its judicial process, and update its legal codes in line with democratic standards. The government must take energetic steps to root out corruption and fight organized crime, in close cooperation with the EULEX Rule of Law mission. With these reforms in place, Kosovo can continue its steady progress toward fulfilling its promise as Europe's newest country.

On the economic front, the government must implement the reforms necessary for the private sector to grow. Here Kosovo is particularly challenged by a legacy of socialism and strife, with high unemployment, low investment rates, and a relatively small economic base on which to build. We are working closely with the Kosovo Government, the EU, and other international partners to help implement the reforms that will spur private-sector led investment and growth. Clear and transparent privatizations remain integral to building trust with citizens and international partners alike, and developing an attractive investment climate. Equally important, until revenues increase, the Government of Kosovo must implement a sustainable budget. We are also supporting comprehensive energy sector reform, another key component to ensuring stable growth and one that cannot afford further delay.

Serbia has an important role to play on issues that will have practical benefits for the people of Kosovo. We urge Belgrade to find ways to cooperate on concrete humanitarian issues in Kosovo that would help the ethnic Serb communities there to improve their quality of life. Our vision for the Western Balkans relies on Serbia

and her neighbors maintaining good relations, including supporting the participation of all countries in the Western Balkans in regional fora so they can address issues of mutual concern. The United States welcomes the recent joint initiative of Serbian President Tadic and Croatian President Josipovic for strengthening bilateral cooperation between the two countries. We hope that Serbia will continue to improve its efforts to ensure stability throughout the Balkans, including in Kosovo. Dialogue and cooperation to address practical, day-to-day issues such as electricity supply, customs, and courts are in everyone's interest and will improve the lives of all people in Kosovo, including Kosovo Serbs.

The United States remains committed to Kosovo's sovereignty and territorial integrity. Kosovo's independence is a force for stability in the region, as all the countries in the Western Balkans are now free to focus on promoting good relations and advancing on their respective tracks to full Euro-Atlantic integration.

Macedonia

Supporting Macedonia's integration into NATO and the EU remains a vital element in our efforts to promote peace and stability in the Balkan region. Macedonia has met nearly all of the technical reform benchmarks set by the EU, and the European Commission has recommended setting a start date for accession negotiations. We also commend Macedonia and Kosovo on completing the demarcation of their mutual border in October of last year and on establishing formal diplomatic relations. This is a major step for regional stability. Macedonia is an active participant in NATO's Partnership for Peace and Membership Action Plan. It is also one of the highest per capita troop contributors to ISAF. Macedonia's troop commitments are a reflection of the substantial progress the country has made in recent years in meeting NATO's standards in the defense sector.

To maintain this positive momentum, there are further steps we encourage Macedonia to take. We encourage the Macedonian Government to prioritize improving interethnic relations by continuing to implement both the letter and spirit of the Ohrid Framework Agreement. In addition, Macedonia must continue to focus on reforms, particularly in the area of rule of law.

Most crucially, the ongoing name dispute with Greece must be resolved as soon as possible. The United States strongly supports the ongoing U.N. negotiation efforts, led by Matthew Nimetz. We will embrace any mutually acceptable solution that emerges from the negotiations, but there must be a solution and soon. Active, constructive engagement between Athens and Skopje is vital to any positive outcome. We are encouraged by bilateral contacts at the highest levels in recent months to build confidence and to make progress on this issue. The dispute continues to impede Macedonia's integration into NATO and the EU and is therefore a potential threat to the stability of the whole region. In the interests of both countries and indeed of the entire region, leaders in both Macedonia and Greece must now take bold and decisive action to resolve this issue once and for all.

THE WAY FORWARD

Despite the challenges that remain, this administration remains confident that, with close coordination with our European partners and the willingness of regional leaders to make the right choices, the Western Balkans can complete their path toward Euro-Atlantic integration. Nowhere else has U.S.-EU cooperation been more important or more promising than in Southeast Europe, where we have worked together successfully for over a decade to move the Balkans beyond the bloody and divisive mindset that tore apart the region in the 1990s. And indeed, while Balkan policy once divided the United States and Europe, today we are united in our determination to see this process through to a successful conclusion.

This administration has also reinvigorated our engagement in the Balkans. Vice President Biden's May 2009 visit to Bosnia and Herzegovina, Serbia, and Kosovo underscored our commitment to help the countries of the region realize their Euro-Atlantic aspirations. And, as I mentioned earlier, Deputy Secretary Steinberg just completed the most recent of his many trips to the area. Together with our European partners, we are seeking to facilitate the resolution of those disputes that are holding back integration and reform. And we are backing this commitment with considerable resources: Our assistance effort in the Balkans has amounted to over \$5 billion since 1995, helping these countries to meet the needs of their people, develop their economies, and build their institutions so that they can become full partners of the United States and members of the Euro-Atlantic community.

More than ever before, credible prospects of membership in the EU and NATO remain the most powerful incentive for continued reforms. The "Open Door" must be tangible, and the prospect of EU and NATO membership real, to continue driving necessary reforms. At the same time, to ensure the positive effect of these incentives

continues, we must not compromise on the high standards we expect of prospective EU and NATO members. This is why we have been closely monitoring and encouraging efforts to resolve the border dispute between Croatia and Slovenia and the name dispute between Macedonia and Greece, so that other current and future candidates with unresolved bilateral disputes do not become discouraged.

The EU's decision last year to grant visa-free travel throughout the entire Schengen area to Macedonia, Montenegro, and Serbia was an important signal of the tangible benefits of progress toward integration. While Bosnia was unable to meet the EU requirements at that time, it has since made tremendous progress in addressing the outstanding technical requirements. We hope it will earn the right to visa-free travel sometime this year. Further, we welcome the EU's commitment to provide Kosovo with technical advice to help the government complete reforms that will qualify it for EU visa liberalization.

Ultimately, of course, the burden of achieving Euro-Atlantic integration, and through it security and prosperity, lies with the leadership and the people of the Western Balkans. One of the most promising developments of the last decade is the increasing realization among countries in the region that their prospects rise and fall together. This understanding has spurred the steps toward regional cooperation and ethnic reconciliation that we have seen, though there is still more to do. If the countries of the Western Balkans are willing to make the hard choices necessary for reform and joining the Euro-Atlantic community, the United States will stand with them.

Madam Chairwoman, Senator DeMint, members of the committee, I am grateful for the opportunity to speak before you today, and I welcome the opportunity to respond to your questions.

Senator SHAHEEN. Thank you very much.
Ambassador Vershbow.

STATEMENT OF HON. ALEXANDER VERSHBOW, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE, WASHINGTON, DC

Mr. VERSHBOW. Thank you, Chairwoman Shaheen. Thank you and other members of the subcommittee for inviting me here for this timely discussion on the Western Balkans.

Before I begin, I'd also like to take a brief moment to thank Senator Voinovich for his steadfast commitment to the Balkan region. Your dedication to resolving these issues over many years has been of great benefit to U.S. policy in this critical but sometimes overlooked part of the world.

I have a longer statement that I'd like to submit for the record, so I'll keep my opening remarks brief, especially since I think that at least all those who've spoken are pretty much on the same page.

As our two Senators here have observed during their recent visit, the region has made remarkable, indeed breathtaking progress, but it also still faces a number of challenges.

As has been mentioned this year marks the 15th anniversary of the genocidal acts of Srebrenitza, a reminder of the violence and the brutal ethnic cleansing that followed the breakup of the former Yugoslavia. This was a searing experience for me for a large part of my career with the Department of State. As a Deputy Permanent Representative of NATO in 1991, as NSC Senior Director in the mid-1990s, and as Ambassador to NATO from 1998 to 2001, I worked closely with our NATO allies and with Members of the Congress to end the wars in Bosnia-Herzegovina and Kosovo and to help the Balkans follow the rest of Central and Eastern Europe along the path of EuroAtlantic integration, and it is heartening that since that time, we have seen some very dramatic transformations.

The majority of Balkan States have transitioned from being security consumers to security providers, contributing to NATO operations in Afghanistan and elsewhere. In a region where 11 years ago NATO was carrying out an air campaign, three countries are now alliance members, one is firmly on its doorstep, and all the others are on the path to the EuroAtlantic community.

But as everyone has stressed, there are some big challenges that remain to be met. Kosovo has seen political and economic gains since independence but work still remains to be done to integrate all of Kosovo's communities, and we face an important transition as NATO forces gradually draw down.

In Bosnia, interethnic tensions and dysfunctional institutions impede progress toward EuroAtlantic integration. Building stronger, more transparent and effective institutions, strengthening the rule of law, and deepening defense reform remain critical needs for these two countries and for the entire region.

Let me offer a few brief comments on our defense relationships in the wider region, starting with Slovenia, Croatia, and Albania, who are now NATO members, as well as Macedonia, which is, as we've said, firmly on its doorstep but hopefully will cross into the room soon. I have more detailed remarks in my written statement.

First, Slovenia. Slovenia, a NATO member since 2004, is an able partner in Afghanistan and a very welcomed participant in KFOR and other regional EU and OSCE missions. Its institution-building assistance to neighbors and its work with Croatia to resolve a long-standing bilateral dispute are especially noteworthy.

Croatia also is a valued NATO ally and it contributes 300 troops to ISAF and it has played an important role in the training and mentoring of the Afghan National Police. We hope Croatia will continue to play a constructive leadership role in the Balkans and we encourage Croatian leaders to maintain positive momentum on domestic reforms.

NATO warmly welcomed Albania into the alliance last year. Albania has actively contributed to ISAF and to peacekeeping operations in both Bosnia and Kosovo and earlier supported coalition operations in Iraq.

Challenges in the security sector remain, however, including destroying excess munitions and modernizing their military in line with NATO standards, and we'll continue to focus our bilateral defense cooperation on supporting this process.

As Phil Gordon has just said, Macedonia's NATO invitation remains unfinished business. At the Strasbourg-Kehl summit, allies reaffirmed their commitment to extend an invitation to Macedonia as soon as a mutually acceptable solution to the name issue is reached and we certainly believe that the time to end the name dispute is now and we continue to encourage renewed efforts under the auspices of the U.N. mediator to resolve the issue.

But from a Defense point of view, Macedonia has successfully implemented critical defense reforms and has consistently punched above its weight in contributions to international security operations, including Afghanistan.

Now let me offer a couple of comments on the two aspiring NATO members, Montenegro and Bosnia.

Montenegro was accepted into the Membership Action Plan last December and last month deployed its first unit to support ISAF in Afghanistan. We applaud Montenegro's steps to implement needed reforms and we are encouraging continued efforts to address crime and corruption as Montenegro seeks EU membership.

Bosnia is actively seeking to enter into a NATO Membership Action Plan, as well, and we firmly support that country's EuroAtlantic aspirations. Bosnia has made some successful contributions to international efforts in Iraq and Afghanistan and the integration of Bosnia's Armed Forces was a significant step forward, but as my colleague has stressed, more needs to be done.

In recent years defense reform has faltered and intensified political wrangling among Bosnia's three ethnic groups has stalled development of a functional government. The government's inability to agree on the number of critical issues still raises some questions about its ability to implement the rigorous requirements of a membership action plan. So with ethnic agendas still dominating the political process, we're concerned that Bosnia's future remains precarious.

My department will continue to engage closely with our Bosnian partners on defense reform and modernization. High-level bilateral defense consultations in Sarajevo recently addressed Bosnia's security assistance priorities and United States funding for those efforts. We'll continue to support and train Bosnian Armed Forces, assist the state level defense institutions, and strengthen Bosnian capacity for ammunition destruction. As we do, the support of Bosnia's neighbors and partners will be vital.

Of course, the most important neighbor in this regard is Serbia which has the opportunity to play a constructive role in Bosnia and elsewhere. A stable democratic and economically prosperous Serbia is critical to the integration of the Balkans into the European community and there's clear interest within Serbia in moving in that direction.

Serbian Minister of Defense Dragan Sutanovac has sought to strengthen our bilateral defense relationship and to increase his country's participation in NATO's Partnership for Peace. The bilateral relationship especially between our militaries has greatly improved, but this encouraging vision could be hindered by Belgrade's continued focus on one particular part of its past, Kosovo.

As has been mentioned, during the Vice President's visit last spring, we agreed to disagree on Kosovo's independence, so we could focus instead on other areas of our bilateral and multilateral relationship.

However, Serbian leaders have continued to pursue an active campaign against Kosovo's independence and these activities threaten to reverse the trend toward regional stability and they could potentially limit Serbia's EU ambitions.

So as we see it, Serbia's standing today at crossroads. Will it move toward a European future or remain mired in obsession with the past? We hope that our friends in Belgrade will make the right choice.

We continue to closely monitor developments inside Kosovo. The security situation has improved since independence. The recent elections were a positive step. However, the environment in North-

ern Kosovo remains tense and we continue to monitor the situation closely in advance of an advisory opinion by the ICJ.

The mission of the NATO-led Kosovo force KFOR will continue to adapt as the political and security conditions evolve. In June of 2009, amidst increasing stability in Kosovo, NATO Defense Ministers decided progressively to adjust KFOR's force posture to what's called a deterrent presence as conditions on the ground permit. This approach will allow a coordinated sensible adjustment in force levels and help to avoid uncoordinated unilateral withdrawals by individual nations.

Secretary Gates regularly reminds allies of the importance of adhering to the in-together/out-together approach when it comes to Kosovo.

Since June 2008, NATO has also undertaken the task of supporting the Kosovo Security Force, the KSF, as it develops into a professional democratic and multiethnic force. The KSF reached initial operational capability last September. Through NATO, the United States has played an active role in helping to prepare the KSF for its core missions of explosive ordnance disposal, control and clearance of hazardous materials, search and rescue, and fire-fighting, and my department, in partnership with other agencies, is also maintaining a robust humanitarian assistance program and working to help promote the rule of law and border security in Kosovo.

So I look forward, as well, to answering your questions and I want to just end with an assurance that the Obama administration is firmly committed to stability and progress in the Western Balkans. Thankfully, we're not working alone. This effort is possible only with regional leadership and the active cooperation of European partners and international organizations and, of course, it benefits from the continued interest and support from the Congress.

The continued expansion of this zone of security and prosperity is critical to the consolidation of peace in the Balkans and to our enduring vision of a Europe cold-free and at peace.

I would agree that we have, indeed, invested a lot over the past decade and a half and we certainly should not quit now.

Thank you very much.

[The prepared statement of Mr. Vershbow follows:]

PREPARED STATEMENT OF AMBASSADOR ALEXANDER VERSHBOW, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE, WASHINGTON, DC

INTRODUCTION

Chairwoman Shaheen, Senator DeMint, Senators, and Congressmen, thank you for inviting me here for this timely discussion on the Western Balkans. As Senators Voinovich and Shaheen observed during their recent visit, the region has made remarkable progress, but still faces a number of daunting challenges.

This year marks the 15th anniversary of the genocidal acts at Srebrenica—a reminder of the violence and brutal ethnic cleansing that followed the breakup of the former Yugoslavia. As a Deputy PermRep at NATO in 1991, as an NSC Senior Director in the mid-90s, and as Ambassador to NATO from 1998 to 2001, I worked closely with our NATO allies and the Congress to end the conflicts in Bosnia and Herzegovina and Kosovo, and to help the Balkans follow the rest of Central and Eastern Europe along the path of Euro-Atlantic integration.

The Western Balkans region has transformed dramatically over the last two decades, from a region in conflict to a region of independent, democratic nations that

resolve disputes peacefully and work together to address regional and global challenges. Most nations have transitioned from security consumers to security providers, contributing to NATO operations in Kosovo and Afghanistan. In a region where 11 years ago NATO was carrying out an air campaign, three countries—Albania, Croatia, and Slovenia—are now alliance members, one—Macedonia—is firmly on its doorstep, and all others are on the path to Euro-Atlantic integration.

However, a number of challenges remain. The global recession has limited the resources available for accomplishing our shared objectives, and exacerbated social pressures within the region. In Bosnia, interethnic tensions and poorly functioning government institutions continue to threaten progress toward Euro-Atlantic integration. In Kosovo, independence has brought political and economic gains, but work remains to integrate all of Kosovo's communities, and we face an important transition as KFOR gradually draws down. Building stronger, more transparent and effective institutions; strengthening rule of law and deepening defense reform remain critical needs for these two countries and for the region.

The key to resolving these challenges lies ultimately with the countries themselves—they must provide responsible and committed political leadership, and their citizens should demand such leadership. The United States remains firmly committed to supporting these efforts, building on the progress in the region, and tackling remaining challenges in concert with our European partners.

The possibility of NATO and EU membership has proven to be a powerful incentive for reform and remains the cornerstone of U.S. policy in the region. Allow me to review the progress each of the countries in the Western Balkans has made on that path and briefly address our engagement with each of the nations.

KOSOVO

I turn first to Kosovo, the one nation in the region where NATO remains engaged operationally. There are currently just under 10,000 troops from 31 countries (24 NATO and 7 non-NATO) deployed with the NATO-led Kosovo Force (KFOR). U.S. troops make up approximately 10 percent of the force. KFOR's mission is to maintain a safe and secure environment and to ensure freedom of movement for all citizens, irrespective of their ethnic origin.

Following Kosovo's declaration of independence on February 17, 2008, NATO reaffirmed that KFOR shall remain in Kosovo on the basis of U.N. Security Council Resolution 1244, and this was welcomed by the government. KFOR continues to work with Kosovo authorities throughout the country and cooperate with and assist the EU, the U.N., and other international actors to support the development of stable, democratic, and multiethnic institutions. In June 2008, NATO agreed to take on a new task to support the development of a professional, multiethnic Kosovo Security Force (KSF).

The United States contributes to the improvement of security in Kosovo by, in addition to other engagement, strengthening the rule of law, working to increase border security, assisting in professionalization of the KSF, and conducting humanitarian assistance operations. The KSF reached Initial Operational Capability in September 2009, and through NATO, we continue to assist in preparing the KSF for its core missions: explosive ordinance disposal; control and clearance of hazardous materials; search and rescue; and firefighting. The Department of Defense and other interagency partners also maintain a robust humanitarian assistance program and play a role in promoting the rule of law and border security.

We are encouraged that the security situation in Kosovo has continued to improve since independence, but while the security situation is generally calm, we need to remain vigilant for potential flashpoints. The November 2009 elections were successfully run by Kosovo institutions and included significant participation from Kosovo Serbs in the south. However, the environment in northern Kosovo remains tense. We continue to monitor the situation closely in advance of an advisory opinion by the International Court of Justice.

KFOR has reshaped and adapted to the changing security environment in Kosovo while still retaining an adequate level of capability to accomplish its tasks. In June 2009, in view of the stabilizing environment in the country, NATO decided to gradually adjust KFOR's force posture to what is called a "deterrent presence." This approach will allow a coordinated, sensible adjustment in force levels and help to avoid uncoordinated, unilateral withdrawals by individual nations. Secretary Gates regularly reminds allies of the importance of adhering to an "in together—out together" approach in Kosovo.

In the transition to Deterrent Presence, NATO will gradually reduce the number of forces on the ground through progressive "gates," as security and political conditions allow. We are presently at Gate 1 with a troop strength of approximately

10,000. The next steps along this path will be to draw force levels down to approximately 5,000 troops at Gate 2 and then to 2,500 troops at Gate 3. At lower levels, the remaining forces will be supported by increased intelligence capability and marked by greater operational flexibility.

It's important to emphasize that each stage in this transition will only be implemented if supported by conditions on the ground, at the recommendation of the KFOR Commander to SACEUR and upon approval by the North Atlantic Council. The decision will be based on a thorough and deliberate assessment of all the factors that contribute to a safe and secure environment, including the capacity of the Kosovo Government, supported by EU Rule of Law Mission in Kosovo (EULEX), to assume security functions.

I turn now to Slovenia, Croatia, and Albania, the three nations of Southeastern Europe that are now members of NATO, as well as Macedonia, which remains firmly on its doorstep.

SLOVENIA

Slovenia, a NATO member since 2004, is a regional success story and plays an important leadership role within the Western Balkans. The country's key foreign and defense policy priorities are the development, integration, and security of the region. Slovenia provides training to its neighbors in critical government functions and organization, as well as economic assistance through connections and expertise in regional business and trade. Slovenia has ardently advocated for neighboring countries' membership in NATO and the EU, including those with which they may have disagreement, as a means of bringing further stability and reform to the region. Notably, this includes working constructively with Croatia on resolving a bilateral dispute, so that Croatia can progress in its EU accession negotiations. These initiatives and others serve to solidify its example as a consistent partner.

Despite its small size, Slovenia participates in regional EU and OSCE missions, KFOR and other peacekeeping missions, and is an able partner for Afghanistan. In part, these engagements are possible due to Slovenia's transformation over the last decade to a more capable and modern military force, which is lauded as extremely professional and effective.

CROATIA

Croatia has long been a valued NATO partner, and we are pleased to now call it a NATO ally. Our bilateral defense relationship is strong, and Croatia's nearly 300 troops in Afghanistan are helping to fill critical requirements, particularly in training the Afghan Security Forces. Croatia also contributes to regional stability through its participation in KFOR. The Croatian Armed Forces have undertaken significant restructuring and reforms but work remains on modernization, deployability, and interoperability. Croatia's continued political and economic progress is reflected in its positive outreach in the region—a trend we encourage and welcome. Even though Croatia still has reforms to complete, it serves as a constructive regional leader and mentor. The current government, for which EU accession is top priority, should be commended for its anticorruption efforts, contributions to NATO operations, and tangible progress on resolving the border dispute with Slovenia. The willingness of Slovenian and Croatian leaders to make tough and politically risky decisions for the longer term interests of their countries and the region is remarkable, and serves as a model for others to follow. We urge both sides to retain the momentum to deal with the remainder of their unfinished business.

ALBANIA

In 2009, NATO warmly welcomed Albania into the Alliance. Albania has actively contributed to ISAF since 2003, committing over 300 troops. It has also actively supplied troops to peacekeeping operations in Iraq and Bosnia. Challenges in the security sector remain, such as the destruction of excess stockpiles of munitions and weapons, and the further development of a modern, light, and mobile military. Fortunately, the history of NATO enlargement has shown that once countries join the Alliance, they continue the reform process rather than resting on previous achievements and, the United States will focus its bilateral defense cooperation on supporting this process.

MACEDONIA

At the 2009 Strasbourg-Kehl summit, allies reiterated that Macedonia will be invited to join NATO as soon as a mutually acceptable solution to the name issue has been reached. Macedonia has successfully implemented key defense reforms as a re-

sult of its NATO aspirations, and has consistently punched above its weight in contributions to international security operations, including Afghanistan where it is among the top five per capita contributors. Our bilateral defense relations and cooperation with Macedonia remain excellent, as evidenced by the recent joint deployment of the Macedonian Armed Forces and Vermont National Guard to Afghanistan.

We view Macedonia's NATO invitation as unfinished business—their membership is important for regional security and stability. We are aware that the dispute over Macedonia's name is a difficult issue, and we continue to encourage renewed efforts under the auspices of the United Nations mediator to resolve this issue.

Across Southeastern Europe, governments face pressures that have implications for continued reform, defense transformation, and international deployments. While emphasizing the need for national responsibility and strong leadership, we must continue to engage and maintain our support for a critical region that we can always count on to answer our call. We must continue to evolve our current relationship by working toward increased collaboration to ensure that the Balkans continue their progress forward toward the Euro-Atlantic community.

MONTENEGRO

The United States continues to strongly support Montenegro's and Bosnia and Herzegovina's aspirations for Euro-Atlantic integration.

We can point to notable successes in Montenegro. We have a strong partnership with the second-newest country in the world and our defense ties are particularly robust. Montenegro joined NATO's Membership Action Plan (MAP) in December 2009 and is focused on implementing the reforms necessary to meet NATO standards. In March, Montenegro sent its first unit to support ISAF. Montenegro has recognized Kosovo's independence and is a contributor to regional security. Montenegro applied to join the EU in December 2008 and expects to get candidate status later this year. Fighting organized crime and corruption remain key challenges for Montenegro as it progresses on its Euro-Atlantic integration path. Fortunately, Montenegro has suffered less from the world's economic downturn than most and the government has reaffirmed its commitment to meeting the challenge of overhauling its institutions to meet NATO and EU membership standards.

BOSNIA AND HERZEGOVINA

The U.S. firmly supports Bosnia's NATO membership aspirations; however, its political leadership has done little to break through nationalistic barriers in order to advance its candidacy.

Bosnia's passage of the 2005 defense legislation, which ended conscription, dissolved entity-level armies, and created a State-level Ministry of Defense, was a significant success. Bosnia has also made important contributions to international security with a number of successful rotations in Iraq and its current contributions to Afghanistan.

Unfortunately, despite commendable efforts by the Bosnian Ministry of Defense, progress on defense reform has faltered as it has fallen victim to the broader political stalemate. The wrangling among the three main ethnic groups has intensified ahead of the October elections and has stalled the process of building a more functional government capable of implementing needed reforms. This is vividly illustrated by the Bosnian Presidency's inability to adopt a critically needed decision to destroy its increasingly dangerous and unstable munitions and light weapons stockpiles. Besides the obvious threats of theft or self-ignition, the presence of the excess materials burdens the Armed Forces, which dedicate a significant portion of the infantry to guard duty, and impedes efforts to reform or modernize the Armed Forces. There are indications that a solution to this issue may finally be at hand, which is welcome. But the fact that it took over 2 years to resolve this issue is illustrative of the fundamental structural and political issues that need to be addressed for the country to successfully carry out the reforms that will be necessary to carry out the rigorous requirements that will be necessary as part of a Membership Action Plan.

The administration remains concerned that narrow ethnic and personal agendas still trump common objectives in Bosnia, stiling the country's development and ability to keep pace with the rest of the region. But we are pleased that we continue to receive excellent cooperation on practical and technical defense and military issues that are not subject to political infighting. We are committed to continuing to work closely with Bosnia to ensure that progress on the defense reform and modernization agenda can continue, wherever possible. Earlier this year, we held bilateral defense consultations in Sarajevo in order to ensure that security assistance priorities were being addressed and that U.S. funding was targeting those priorities.

We will continue to provide support and training to Bosnian Armed Forces, execute assistance programs for state-level defense institutions, assist with building capacity for ammunition destruction, and support the strengthening of defense institutions.

SERBIA

A stable, democratic, and economically prosperous Serbia is integral to the integration of the Balkans to the European community. Serbia has made great progress since the elimination of the Milosevic regime. Radical nationalist political parties have been marginalized and the majority of Serbians, particularly the young, have rejected isolation and yearn to integrate into the European community. The current government, under the leadership of President Boris Tadic, has dedicated itself to performing the various reforms necessary to achieve EU membership, and Serbia has made significant progress on this path. In an effort to close a chapter of its history, Belgrade is committed to actively pursuing Ratko Mladic and Goran Hadzic, the remaining two fugitives indicted by the International Criminal Tribunal for the Former Yugoslavia for war crimes. Additionally, bilateral United States-Serbian relations, particularly between our militaries, continue to grow.

However, this encouraging vision could be hindered by Belgrade's continued focus on one particular part of its past: Kosovo. During Vice President Biden's May 2009 visit, we "agreed to disagree" on Kosovo's independence, so we could focus instead on other areas of our bilateral and multilateral relationship. However, Serbian leadership has continued to pursue an active campaign against Kosovo's independence. These activities threaten to reverse the trend toward regional stability and could potentially limit Serbia's EU ambitions. Serbia is at a crossroads—will it move toward the European future it says it desires, or be mired in an obsession with the past. Currently Belgrade is attempting to do both, a position we believe to be unsustainable.

CONCLUSION

The United States is committed to ensuring continued stability in the Western Balkans. This effort is only possible with the leadership of nations in the region and cooperation with our European partners and international organizations. EU and NATO membership serve as a powerful incentive for continued reforms, the peaceful resolution of disputes and regional cooperation. The continued spread of this zone of security and prosperity is critical to the consolidation of peace in the Balkans and a Europe whole, free, and at peace.

Senator SHAHEEN. Thank you very much. We've been joined by Ranking Member DeMint, and I will turn to him for an opening statement.

Senator DEMINT. I'd like to yield to my colleague, Senator Voinovich, while I continue to go through my notes and align them with what we just heard.

Senator SHAHEEN. While you look for—go through your information, let me begin with Dr. Gordon.

You mentioned the young people of Bosnia in your remarks and while we were in Sarajevo, Senator Voinovich and I had the opportunity to have lunch with a group of university students, all very bright, but what distressed me was that in the course of that conversation, it was very clear that they were very pessimistic about their economic future in Bosnia and about the potential for things to change in the country and when I asked them if they didn't think about getting involved in the political process and maybe helping to make some changes in the country to address some of their concerns, they were almost unanimous in saying that that was not something that they were interested in doing. They seemed to feel almost powerless about their ability to change things.

So how do we help these students? How do we address that powerlessness that we heard from those young people about the ability to effect the future of their country?

Mr. GORDON. Thank you, Senator, for sharing those observations with us which alas are somewhat consistent with our own in the sense that I think you're right about an abiding or even growing pessimism which stems from, I think, the fact—I think it's fair to say that in the 10 years after the Dayton Agreement, as difficult as progress was, there was a sense of moving forward in Bosnia-Herzegovina.

It was a country ripped apart by a vicious civil war that, with our help and the help of the people there we managed to put back on the path towards stability and that path was being pursued with the bumps in the road but nonetheless for a good 10 years.

I think around 2006 that progress both stalled or perhaps even turned into in some ways regression. It is a sad reality that in many ways some of the political leaders in Bosnia have tended to put party interests or ethnic interests or personal interests or entity interests above the national interests and no doubt it is that sense that is reflected in the pessimism that you heard among young people and that is why we have stepped up our engagement.

I think, you know, both Alex Vershbow and I noted our involvement in these issues previously and I think for many in the Obama administration coming back to this, we were disappointed to see that stalling after all of the progress that had been made and so we have stepped up our engagement. In Bosnia, in particular, I know I referred to Deputy Secretary Steinberg's trip last week. That was his fourth trip to Bosnia in this first year of the administration to try to instill—and he spent a lot of his time there engaging not just in the political leaders but with some of the very young people and public opinion, if you will, that you refer to because we need to communicate to them the message that there is a more hopeful future and it's the hopeful future that is being a part of EuroAtlantic institutions and that is what we're trying to tell them.

We are with you. We're still with you and we want to help you get there and we are trying to communicate that message to the political leaders and to the extent that they won't listen, we're taking that message directly to the people and maybe the next generation will be willing and able to reach some of the agreements that will put Bosnia on this path to Europe that some of the current leaders have been unwilling to do.

Senator SHAHEEN. And how much do you think the structure of the Government in Bosnia that came as a result of the Dayton Agreement is responsible for some of the stalemate there?

Mr. GORDON. I don't think anyone would deny, Senator, that the Dayton Agreement and the constitutional structures of Bosnia-Herzegovina are complicated. That's, you know, probably not what you would design if you were starting from scratch and imagining a constitution and an arrangement.

But all constitutions are complicated. What matters is whether there's a will of the people to get over their differences and see that the future lies in making those institutions work. The United States had to overcome some difficulties in putting together its political system, as have many other countries.

So no doubt there are challenges inherent in the makeup of that country, but I think one of the lessons of the European Union expe-

rience is that political and economic integration can get you beyond such difficulties where borders and ethnicities matter less and everybody is part of a broader union of diversity and that's the path that we think Bosnia is on and needs to be on.

Senator SHAHEEN. Thank you. Ambassador Vershbow, you talked about defense reforms having stalled in Bosnia.

Are there specific reforms that need to be in place in order for NATO to look more favorably on the MAP process?

Mr. VERSHBOW. Yes. Yes, indeed. I mean, I think there's some specific tasks that we've been waiting for several years for them to undertake which is to dispose of the large quantities of surplus munitions and weapons that are in storage and are tying up a huge amount of personnel and resources in the process of guarding them and then there's a longstanding dispute over defense properties, the status of which is still in dispute among the different entities. So those are sort of two of the tests that we've been setting for them for several years which we're still waiting for them to take action on.

I think in terms of the broader efforts of the Minister of Defense, we are often pointing out that the fact that we have a single military is actually one of the bright spots in Bosnia's evolution over the past 15 years and the fact that they are able to produce some small but important deployments in support of international operations is a sign of the potential that this country has to play.

But until these longstanding issues can be resolved, I think we still have our doubts that the military, despite its formal unified status, is really a functioning entity and, of course, its emblematic of the wider problems that Phil Gordon has mentioned with regard to the institutions of the Bosnia state at large.

Senator SHAHEEN. And how much is the pending election, do you think, responsible for some of those efforts being stalled?

Mr. VERSHBOW. Well, I think that as the fall elections draw near, it becomes less easy for important decisions of this kind to be taken. That's true in any country.

But we're hopeful that the continuing discussions with NATO on how to meet the requirements for the Membership Action Plan will inspire them to take these decisions over the coming months, at least it would be an important contribution to meeting the tests that NATO Ministers set for the Bosnians when they last considered the MAP issue in December.

We certainly would like to see Bosnia in the Membership Action Program, but further reforms are needed, I think, to convince us that this is appropriate.

Senator SHAHEEN. Thank you. My time is up.

Senator Voinovich.

Senator VOINOVICH. All right. I would like to continue to pursue the Bosnian situation.

The interesting thing that Senator Shaheen and I picked up as we traveled through Southeast Europe was the consensus from most of the people that we talked with that the Butmir process was not as fruitful and that they really felt that between now and the election that some of the changes that we'd like to see made are not going to occur and that if we push and push and push, that that issue could become involved in the election campaign and

there's a possibility that after the election things would be more difficult to take care of than if we kind of backed off and looked at some other options.

Two things that they mentioned. One was the fact that many of the countries had received visa waiver from the European Union and felt that it would be very helpful if that were offered by the European Union to Bosnia. Understanding that there were some significant things that still needed to be done in terms of NATO, that the prospect of a MAP, it was felt, would be very, very worthwhile prior to the election. Some mentioned that Montenegro has now—it's been offered MAP and that in spite of the fact that probably if you took a poll in the Republic of Serbska today, they would not want to be involved in NATO.

We were impressed that the President of the Republic of Serbska and we understand the Prime Minister Dodik both have indicated that they would like to see Bosnia-Herzegovina be part of NATO.

So the question is what's the wisest policy between now and then to create an environment that, once the election is over, that we can move on with some of the other things that need to be done in order to get them qualified for NATO and for membership in the European Union?

Mr. GORDON. I'd be happy to begin with the series of issues that you raised and I'll start with Butmir, what you refer to as the Butmir process which, of course, is the process of a discussion of potential constitutional reform that Deputy Secretary Steinberg, along with Carl Bildt, then in the rotating EU presidency, undertook over the past 9 months or so.

It's related in fact to the answer I gave to Senator Shaheen about the obstacles within the Bosnia political structure and, you know, just to be clear, when I said that the structures in Bosnia are not necessarily the impediment to Bosnia's path to EuroAtlantic integration, it's really whether the people are willing to get along. That's not to say that those political structures couldn't be improved and, indeed, that was at the heart of the process of Butmir, to consult with the parties and see if ways couldn't be found to make Bosnia, the Bosnian Government structures more efficient and functional because the reality is they are often dysfunctional because of the difficulty in reaching a common agreement and that's what that process was designed to try to achieve, again in consultation with the parties.

Are there ways that these structures could be modified so that Bosnia would be a more effective functional government that could be considered for EU membership because the reality is the European Union is not going to take in a country that can't reach coherent decisions and so we worked with the parties to try to put those ideas on the table and you're right, Senator, they have not been accepted but they're still out there.

I mean, ultimately, this is a process for the Bosnian leaders. We can't do it for them. We can't impose a new constitution or changes on them. We can simply work with them to try to find ways to make that a more efficient government.

I think it's probably fair to say that these changes will not be pursued before the elections, but I'm hopeful that afterward the parties will come back to this agenda because ultimately, if they do

want to get moving down this path to EU integration and NATO integration, they're likely to have to make some changes in their structures so that they can be more efficient and functional.

As for the Bosnia MAP issue that you raise, it is rightly a question of finding the best approach to make it an incentive to do the right thing. I want to recall that—I want to underscore, first of all, that we agree with you that MAP can be an incentive for Bosnians and we want to give them hope and put them on the path to NATO and I want to recall that all allies agree with that because that was the decision last December at the Ministerial in Brussels, that allies decided that Bosnia-Herzegovina will join MAP and then once necessary progress has been made on reforms. So I think all allies are on record as having agreed that they want to see Bosnia in MAP.

The question of necessary reforms being made refers to what I just alluded to which is the capacity of Bosnia to act as a coherent responsible player in an international organization.

Senator VOINOVICH. One of the things that came up, we had a very good meeting with the Defense Minister who we were quite impressed with, and I think it's really significant that they've come together as a country in terms of defense and that they're participating. That's terrific.

And we talked about the issue of armaments and the destruction of it and we raised the issue of how fast could it get done and we tried to figure out who was in charge and who's going to—and there was some talk about, well, I think maybe in the Republic of Serbska, they've talked about maybe selling it and making some money on it and so forth.

But why not come up with maybe some realistic challenge for them between now and the election and say, look, this is a big deal. If you want to get this done, you can get it done and there's plenty of folks out there that are willing to help you. Now let's, you know, get on with it and if you're able to do that, then that's an indication that maybe we should—this would be offered to you in the very near future and preferably before the election.

Mr. GORDON. We would like to see just that and I would even add, you know, why wait for the election? This is something that they could do sooner, if they wanted to do it.

Senator VOINOVICH. Well, that's what I'm saying. Is it that you say to them you can get—you can move very quickly on this and you can have one person that would ascertain it. It would be the person because they didn't give me the name, didn't give us the name of the one person. They said, oh, we're all working together. I said that's not the way you do it. You set up a plan and you have metrics and you see whether or not it's getting done or not and if you get it done, then that's a good sign that you're being responsible and would be an indication that perhaps MAP should be reconsidered.

Mr. GORDON. Sandy will no doubt want to comment on this, as well, but I think that's exactly right, and when NATO said to them progress on political reforms, one of the categories that we have made clear that we're referring to is we want to see progress on this issue of excess munitions and defense property.

Mr. VERSHBOW. If I could add, I agree with what Phil has said. We have, I think, been taking the approach that you recommend, Senator Voinovich.

The Ministers said in December that they will be in MAP if they make progress on reforms and I think we're not setting a very high bar for them to jump over, and I think there's different ways that they could meet the test that the NATO Ministers set.

But we do think that reform does need to precede entry into the MAP because the MAP itself is a very rigorous process that involves even more far-reaching reforms of not only the defense establishment but political and economic reforms.

So I think for us to be confident that they'll be able to make good use of MAP, we want to see at least some progress, but there's numerous decision points coming up. There's a NATO Foreign Ministers Meeting just next week and perhaps the pressure of a deadline will focus people's minds and we'll see some progress before then.

There's also a Defense Ministers Meeting of NATO in June. So there's several milestones ahead well before the elections and we would be delighted if we could see the kind of progress that would enable them to enter the MAP this year.

So I think that we're trying to achieve the same end, but having set a certain standard back in December, we don't want to give them MAP for free.

Senator SHAHEEN. Thank you.

Senator DeMint.

Senator DEMINT. Thank you, Madam Chairman, and I'll just submit an opening statement for the record.

[The prepared statement of Senator DeMint follows:]

PREPARED STATEMENT OF HON. JIM DEMINT, U.S. SENATOR FROM SOUTH CAROLINA

Madame Chairwoman, distinguished witnesses, I thank the committee for holding this hearing.

Over the past two decades, the Western Balkans have gone through significant changes. The fighting has ended and the democracies that now fill the region are seeking to strengthen ties with the transatlantic community, to improve the rule of law, and to increase stability and regional cooperation. European Union and NATO membership opportunities have provided an extra incentive for Western Balkan governments to implement reforms and resolve bilateral disputes.

Today, Slovenia, Croatia, and Albania are all valued NATO members. Montenegro joined NATO's Membership Action Plan (MAP) in December 2009. Other aspiring nations would also benefit from the structure and incentive of a MAP, to clarify the conditions and define the requirements necessary for NATO membership. Slovenia is already a member of the European Union, and numerous other countries are moving quickly toward that goal. In December 2009, the European Union announced visa liberalization for Macedonia, Montenegro, and Serbia; other countries are now working to achieve that benefit as well.

However, despite significant improvements and greater integration, numerous challenges and obstacles remain, hindering full regional stability and integration.

One issue of concern is the bilateral name dispute between Macedonia and Greece. Macedonia is on the brink of joining the EU and NATO, but it is unable to do so until the dispute over the country's name has been resolved. I hope that both countries will recommit to resolving the issue without further delay.

Kosovo's internal progress, the Serbia-Kosovo relationship, the political situation in Bosnia, organized crime, and corruption remain challenges for the entire region.

Despite these challenges, I believe that significant progress has been made in the region. Western Balkan governments have had to implement tough reforms, in many instances, to transition to free-market and Western standards, and their commitment and willingness to tackle these issues is commendable. I look forward to

hearing your testimonies and suggestions for ways the United States and our allies can help strengthen regional stability and the integration process.

Senator DEMINT. I thank you both for your service and for being here today, and I would just like to ask a broader question than relates to the specific countries we've been discussing.

Going back to my meeting last year with some European leaders, I realize that we face a dilemma as a member of NATO and they're very clear that they expect the United States to play a stronger and more aggressive leadership role privately than they're willing to express publicly.

Publicly, particularly our traditional European NATO allies, want us to appear with other NATO members, but privately will urge us that unless the United States leads and takes a more aggressive leadership role, particularly in the Balkans, that NATO will not succeed long term.

That creates a dilemma for us in public policy, but it sounds like we have to, particularly in the Balkans, take more of a hand-holding and more of a pushing role, a little more of an aggressive role than our allies publicly expressed that we should, and I know in your diplomatic positions it's difficult to carry that out, but I'd just like you to comment on that because I felt a sense of urgency from the European countries that America has got to be more forceful to work out a lot of these things that we're talking about today.

I'll just start with you, Mr. Gordon, and then.

Mr. GORDON. Thank you. I think one of the things we've learned in the past 15 years of engagement in the Balkans is it has to be United States/European effort, a joint transatlantic effort, either extreme, and we have at times experimented with both, where it's just the United States trying to get things done or we step back and expect the Europeans to take the lead. I suppose there's a third alternative where we're both engaged but at cross purposes. None of those things work, and I think we have been trying very hard, indeed even succeeding, in learning the lessons of that and working together.

I referred to the Steinberg-built effort on political reform. We could have easily disagreed with the Europeans on Bosnia and its future and let the parties play us off of each other, but our first step was to unify on a transatlantic approach and then deploy it together.

When Vice President Biden went to Bosnia, Serbia, and Kosovo last spring, he didn't go alone, he went with Javier Solana, who was then our representative for the European Union, and they took a joint message to the parties, and I was myself, when I saw Senator Voinovich in Brussels, it was following a 2½-hour meeting with the counterparts on Serbia and Kosovo because we had decided that it only works when we're in it together.

So I think it's somewhere between—you're right that U.S. leadership is necessary, but we also acknowledge we need—you know, this is their backyard. This is their neighborhood. We need to be on the same page as the Europeans at the same time.

Senator DEMINT. Yes, sir.

Mr. Vershbow.

Mr. VERSHBOW. Thank you, Senator. It's an interesting observation which I agree with.

Going back to the early days of the Balkan crisis in the early 1990s, Europeans initially said we can take care of this, and clearly they had difficulty. They were struggling with the issue, and I think they were greatly relieved when President Clinton decided to assert leadership and work with the Europeans and with the Russians, for that matter, to come up with a more effective strategy that did succeed in ending the war in Bosnia.

But I think it was not, as Phil suggested, a European effort to “cop out” and turn this one over to the United States. I think the Europeans accepted their responsibility and played an important part in the success of the strategy leading up to Dayton and in the implementation thereafter and the same can be said of Kosovo. In both cases, European forces constituted the majority of the peace-keeping mission right from the very start.

I think that as we deal with the current challenges, this kind of combined effort is really essential, and I think we are seeing leadership on the part of the Europeans as we grapple with these bits of unfinished business in Bosnia and in Kosovo. I think that’s a healthy model for solving other international problems, as well.

Senator DEMINT. It’s obviously a delicate balance and you appear to be trying to reach that, but it’s an interesting dilemma to be faced with as they actually want you to do more, want us to do more than they’re willing to admit back home and even publicly, but I appreciate the philosophy of trying to find that balance where we lead and bring them along with us in a positive way.

So thank you, Madam Chairman.

Senator SHAHEEN. Thank you. I want to just follow up a little bit on that question because, as I mentioned in my opening statement, one of the things that we heard when we were in the region was concern about enlargement fatigue among EU members.

Is that something that we should be concerned about or are you all comfortable that there is a shared optimism among the other EU members that there will be an opportunity for all of the countries of the Western Balkans to hopefully eventually be on the road to EU membership?

Mr. GORDON. I would say both. We should be concerned about it. You can’t deny that enlargement fatigue exists, not least after the expansion in 2004 to 10 more countries. It is taking Europeans some time to get used to a much larger European Union and there has always been concerns about taking in new countries who have to demonstrate their political stability, some of whom have GDP per capita that is less than the European norm. So there’s fear about immigration or undercutting wage rates and there’s no doubt that Europeans have concerns and questions about it continuing.

So that’s one reason we should be concerned because enlargement fatigue does exist, and the second reason is that it would be a colossal setback for our own interests if European enlargement stopped. There has not been a greater program for democratization or prosperity spreading than the enlargement of the European Union and so we have a profound interest in seeing it continue through Central and Northern and Eastern Europe and through the Western Balkans, as well.

We sometimes have to remind ourselves we’re not members of the European Union, but that doesn’t mean we can’t have this view

or express it and I think that enlightened European leaders have the same one and are doing what they can.

I actually asked, I think, Senator Voinovich and I talked a little bit about this in Brussels and we both saw Commissioner Fuller, who's responsible for this, who was clear on behalf of the European Union that enlargement will go on. They are determined. They have criteria. They're tough criteria. Countries have to meet them, but European leaders know that it's in their interests to continue with this process and we'll support them in those efforts.

Senator SHAHEEN. Thank you. Ambassador, did you have anything you wanted to add to that?

Mr. VERSHBOW. Just that that's my impression, as well. I think when it comes to the Western Balkans, Europeans clearly have a strategic vision that this whole region should ultimately find its place within the European Union. It is a complex process, and it may take many, many years to unfold, but I think the idea that there could be some gaps, some holes in the fabric is not one that's shared by any of the Europeans I've talked to.

So I think in that sense, we're very much in alignment. There may be differences on other parts of the EU enlargement agenda when you get beyond the Western Balkans, but I think that there they share the same vision and I think they want to use the incentive, the magnetic power of the European integration, to help encourage these countries to take the necessary decisions on reform, and that's why I think we're working so well together with our European partners.

Senator SHAHEEN. Thank you.

Senator Voinovich, did you have other questions?

Senator VOINOVICH. Yes. I'd just like to follow up on the European enlargement.

We've found that that was very, very important to the future of the region, that, you know, the Croatians are going to be coming in, the Serbs are anticipating—by the way, Ali Wren, who was in charge of enlargement for the EU, I thought did a marvelous job in Serbia. I think he was influential in the people deciding to go to the future rather than to the past, and Stephen Fuller said that, you know, we're going to eliminate that from our vocabulary and I think that really sent a nice message out there to everyone that was concerned. We're going to shut it off.

I'd like to just get back to Kosovo for a minute. We know that the Court's going to decide. We know that the CART decision will be—we don't know what it's going to be, but some say it's going to say that the independence of Kosovo is OK, others think it's not, but I'm concerned that there should be some significant dialogue going on between the Serbs and the Kosovars to talk about what happens after that and what bothers me a bit is that we've kind of let that alone because it was like "let's not get our stick in there because it could be a hornet's nest," and so things are kind of quiet right now from what I understand and now I think we're talking about, well, we've got some new ideas and this is the way it's going to be and so on and so forth.

And I would suggest that a lot of thought be given to just ultimately what's going to be the status of Metroviza. That's the biggie. I think that the mayors that we met in Kosovo that are in

Serbian enclaves seem to be relatively happy. Although we will say that the Serbian church are very concerned about their patrimonial sites and they're concerned about cutting back on NATO troops or KFOR troops there prior to that decision by the Court.

The Kosovars are interested in making sure that when the Patriarch is to be installed in Petch that that doesn't turn into some political thing and so I'm just saying that anything that we can do to be constructive to start talking about some of these things I think would be very, very helpful to all of the parties involved.

We don't need another March 17 like we had back in 2004 where all hell broke loose. So I would just urge you to do as much as you can to see if you can't get some dialogue going on between them in terms of that.

And last but not least, we applaud your effort in terms of the FYROM Macedonia, and I think it's really important that we take advantage of an opportunity that we have because the Prime Minister Papandreou has indicated to me personally his desire to work something out. We met with Geriefski, and he seems to be very interested in it, but it should be made very clear that if this thing isn't worked out in the next 6 months, Macedonia could become a black hole. In other words, a play area of instability. It wouldn't be good for the region. It wouldn't be good for Macedonia.

They have a large minority population in Macedonia that they're working together right now, but I'll never forget the situation with Sertigora, Montenegro, and because of the fact that Kostonitza seemed to be more interested in the past than in the future and working things out, Montenegro now is a separate country, and I think that all of the people that are involved have to look at the big picture here about what's the future of the region.

For the Greeks, it's important that they have a stable Macedonia and really work it out. The more I think you can emphasize how important it is for people to get at that and get at it now the better off I think we're all going to be.

Thank you.

Senator SHAHEEN. Either of you want to respond at all to that?

Mr. GORDON. Very briefly on those two important points. On the first, Senator, you're right. We don't know what the ICJ decision will be and there's no point in speculating about it. Our view on the substance is clear, that we and 65–66 other countries recognize Kosovo's sovereignty and territory integrity and don't have any intention whatever to revisit that question. We think that piece of it is settled.

We also, though, as you suggest, need to get on with encouraging talks between Kosovo and Serbia. We agreed with Serbia, as Vice President Biden told them, we have a different—they have a different view and we accept that and we don't expect them in the near future to be recognizing Kosovo, but especially if we get this Court decision out of the way, it will be time to focus on practical issues and get on with practical solutions on things like courts and customs and electricity and get on with—get beyond these debates about status, take the notion of partition off the table and get on with the business of helping real people live their lives on a daily basis, and the two countries need to talk to get that done.

You referred to elections, municipal elections. We have already seen that in the south of Kosovo. It is possible to hold elections in Serb-majority municipalities and those elections can go well and Serb mayors with whom you met can be elected, and that's what we would like to see throughout the country and that really is the model for moving forward.

On Greece-Macedonia, I couldn't agree more that now is the time. Waiting could put the stability of that country and the region at risk. It has been far too long. Both countries, as you note, have leaders who are ready to act, and we have been very much engaged in urging them to do so and we thank you for your efforts along the same lines.

Mr. VERSHBOW. If I could just add that I agree with what my colleague has said. In terms of the security inside Kosovo, we recognize that when the ICJ decision comes, whenever that may be, there could be some political ripple effects on the ground; but we do believe that, even at the reduced levels that KFOR now maintains, we have the capacity to detect and deter and respond to any incident that may occur, and I think that as we consider potential further reductions in accordance with the step-by-step plan that NATO has adopted, we'll be very attentive to the conditions on the ground, be sure that any further reductions can—are compatible with potential future developments.

But I would stress that KFOR now relies more heavily on mobile forces that are able to move quickly and decisively to respond to incidents, backing up the local police and the ELEX police forces. So KFOR has already become kind of a third responder but it does have the ability to respond quickly.

That also applies to KFOR's approach to the monasteries and churches, the patrimonial sites. The process of turning them over to Kosovar responsibility is going to be a very deliberate one, based on a case by case assessment of the conditions on the ground and only after a clear recommendation by NATO Supreme Allied Commander Admiral Stavritis.

We did have one successful transfer just this past March, the Gazimistand Monument. It went smoothly. The Kosovo Police are there as the first line of defense, but KFOR is standing in the background if there should be any difficulties that require its intervention.

So I think that on the security side we've got it covered, but I would agree that it is essential that a dialogue begin between the Serbians and the Kosovar authorities. We're not expecting them to change their stance on recognition of Kosovo's independence but there are practical issues, including security along the borders between Serbia and Kosovo, that can only be addressed in a long-term fashion through a cooperative approach rather than by taking steps that are aimed at undermining Kosovo's authority and independence.

Senator VOINOVICH. Thank you.

Senator SHAHEEN. Well, thank you, both, very much. I have many more questions, but we have another panel. We want to get you all out of here, but as we're winding up this panel, let me just tell you both how impressed I have been with the levels of engagement of this administration in the Western Balkans in finishing

the work there. Whether it was the Vice President's trip last year or the Butmir process that you all mentioned, even though it did come up short, it has reinvigorated the dialogue about the region between the United States, the EU, and the region. So thank you both for your continuing efforts in that part of the world and for being with us this afternoon.

Thank you, both, very much.

While they are leaving, let me recognize the second panel who are with us this afternoon and ask them if they would come to the front.

First on our second panel is Ambassador Kurt Volker. He's the senior fellow and managing director of the Center on Transatlantic Relations at the Johns Hopkins School of Advanced International Studies. Previously, he served for over two decades in the Senior Foreign Service with extensive experience dealing with European political and security issues under five U.S. administrations. Most recently, he was Ambassador—U.S. Ambassador to NATO. He is no stranger to this subcommittee. We're delighted to have him back today.

And joining him on the panel is Ivan Vejvoda, the executive director for the Balkan Trust for Democracy, a project of the German Marshall Fund that is dedicated to strengthening democratic institutions in Southeast Europe.

Mr. Vejvoda joins us all the way from Belgrade, Serbia. You clearly win the award for farthest travel for this hearing, and it's great to see you again. Senator Voinovich and I had the opportunity to see you when we visited Belgrade, and we know that you've had a distinguished career in the Serbian Government as a senior advisor to a number of Serbian Prime Ministers. You remain one of the most widely renowned experts on the Balkans region.

As Senator Voinovich has already pointed out, you were critical in convening that historic panel that Senator Voinovich participated in with the Presidents of Serbia and Croatia. Congratulations to you and to the German Marshall Fund.

It's a pleasure to have you both here today, and Ambassador Volker, I'll begin with you.

**STATEMENT OF HON. KURT VOLKER, SENIOR FELLOW AND
MANAGING DIRECTOR, CENTER ON TRANSATLANTIC RELATIONS,
JOHNS HOPKINS UNIVERSITY, WASHINGTON, DC**

Mr. VOLKER. Thank you for having me here, Madam Chairwoman, Senator DeMint, Senator Voinovich, for giving me the opportunity to testify about the Balkans region.

I do have a written statement that I'd like to ask be submitted for the record.

I suppose if I had to summarize my comments in a short sentence, it's that we're at a stage where we need to turn up the heat. We need to put our foot on the gas a little bit, and I think I detected that in some of your questions. I share that sentiment.

As you noted, I have an extensive diplomatic background which, throughout the course of my career, kept intersecting with the Balkans, whether it was taking part in the peace negotiations for Bosnia back in 1993, the Vance-Owen process, being at NATO during the Kosovo air campaign, working with Secretary General Robert-

son and Javier Solano in unwinding ethnic conflict in Macedonia at the time, and working on NATO enlargements substantially. So I've had a lot of experience working through the region.

I've also had experience in other areas, including, for example, Afghanistan, and so taking those things together, let me make a few observations, if I could, about where we are today.

First, as you heard from the earlier panel, we've seen substantial progress in the Balkans over 20 years, and I think we have to remember that. I remember very well the days when war was raging between Serbia and Croatia or in Bosnia among three parties and there were a lot of fatalistic comments made at the time that there are centuries of ethnic hatred here, we can never sort this out, if we get in, we'll never get out, and, you know, we don't—frankly, when it comes to these ethnic conflicts, we don't have a dog in that fight.

I have to say with 18 years of hindsight, that was completely wrong. We just got it wrong. While we may not have a view about who should win among ethnic groups, we definitely have a dog in the fight about there not being a fight and the Balkans region has to be a stable, prosperous part of the mainstream of Europe and we've invested heavily in that and made a lot of success.

But then the second point I would make is we never finished the job and I think, you know, if you think about Europe, the history of Europe is one of overcoming history, whether it's France and Germany or Hungary and Romania and Transylvania or the South Tirol or any other number of areas, and it's hard work, and it is very difficult for leaders or for publics to be willing to give up on a nationalist dream, a territorial ambition, the grievances of past wars in order to look at a future, but that's exactly what happened in Western Europe and what's happened with the European Union and what needs to happen in the Balkans.

And, frankly, it's that vision of being part of a stable, prosperous, democratic Europe that can motivate the kinds of change that we need to see in the Balkans. So I agree with those who say that conditions need to be met in order for countries to join NATO or the EU, but we need to do a much better job, as the European Union, as the United States, as NATO, in holding out the light at the end of the tunnel and saying this is where we all want you to go and we will do everything we can to help you get there.

When you look at why we haven't finished the job or how we haven't, I'd just say, as you heard from some of the other panelists, where states did not make it so far to be in the Membership Action Plan or a member of the EU or member of NATO, we've seen regression. Where they have made it, we've seen continued progress. I think that's something to remember.

Leaders with nationalist agendas feel more empowered when the vision is weak. When the vision is strong, it empowers the reformers. I think that we ratcheted down the U.S. and EU engagement in the region too quickly, taking our foot off the gas before we had really gotten to the destination, and now, as you mentioned, Senator, in your question, I do think that the sense of fatigue about enlargement is very real and I think there are a number of dangerous aspects to that.

It comes from a lot of different things. You have members of the EU who put a narrow national agenda ahead of the vital agenda seeing the Balkan region integrated, for instance, on recognition of Kosovo or not, on the name issue. You have countries, like Germany, concerned about the Euro and what's happened with the Euro crisis or concerned about Turkish membership in the EU and this has led to a general sentiment that maybe the EU shouldn't be enlarging very much for any time to come.

In fact, despite the stated policies of the European Union and NATO, the chatter is that none of this is going to happen for a really long time to come. Once Croatia's in, we're not going to see very much. If that's the message that people are getting in the region, and I believe it is, that's a very disturbing message to get.

So I would recommend, I won't detail all the difficulties, but I would recommend a much more assertive action plan for the United States, the European Union, and NATO. I have to say I applaud the engagement of Deputy Secretary Steinberg and Foreign Minister Moratinos and their recent travel and their repetitive travel to the region. I'd like to see Baroness Ashton take part in a followup trip. I'd like to see Secretary General Rasmussen invited to take part or for him to send a designate, and I'd like to see an operationalization of the goal and if I could make a few specific suggestions.

First, I think we need to renew in rhetorical terms the firm positive commitment to a vision of the Balkans region as all members of NATO and the EU, if they choose to be.

Second, to do that, we have to engage both in those institutions, so in our relationship with European Union, in our relations with NATO, and also bilaterally with key countries, and I believe, as examples, France, Germany, countries that have not recognized Kosovo, for instance, such as Spain, Greece, of course, because of the Macedonia issue. We should be very active in that process.

Third, we should have a concrete action plan of how to use the tools at our disposal, and I would say that both NATO and the EU have a robust set of tools that we can use, we have used successfully in the past, and we should be willing to use them again now.

I remember the 1999 Washington summit where we created the Membership Action Plan. In fact, Ambassador Vershbow was the NATO Ambassador at the time. There were no criteria for countries to be a member of the Membership Action Plan. It was simply by self-designation that they wanted to be a candidate and this was NATO's tool for helping them.

Now we've moved away from that simple proposition over the years. It's probably too late to go back to that, but I do think we owe it to Bosnia to give very specific criteria of what they need to do and a timeline and then to help them get there so that this becomes much more tangible. I think right now it still seems very dim and that empowers the wrong kinds of people and process.

I also think that the EU could be much more assertive, as well, as I said, and I think we should encourage them to use their toolbox.

Fourth, I think we need to maintain a robust international presence in Bosnia, that is, a United States Deputy in the High Representative's Office, a continued existence in the High Representa-

tive's Office, a European force that doesn't drawdown prematurely because, frankly, the situation is worse than it was a year ago and it doesn't make sense to drawdown on the investment now when it's headed in the wrong direction. We actually need to use the powers and use the resources that we have to proactively promote continued change.

Fifth, I would say the same about Kosovo. We can't drawdown prematurely there exactly for the reasons Senator Voinovich mentioned, Metroviza and integration of Serb communities. Our presence gives confidence to that process and since the process hasn't been completed, our presence remains essential.

Sixth, I do agree, also, we need to give renewed impetus to the Macedonia name issue. I'm also encouraged by the statements that Prime Minister Papandreou has made and I believe that there is an opportunity. I think some confidence-building measures, as my friend Zoran Jolevski and I, the Macedonian Ambassador, have discussed this week, some confidence-building measures for Macedonia's part could be help.

Ultimately, though, it's going to have to be a compromise. There's no zero-sum 100-percent solution. It's a recognition that the advancement of the region serves the interests of both countries.

Seventh, it hasn't been mentioned today and I want to mention it. We need to be forward-leaning with respect to Montenegro. Montenegro has done some remarkable work as an independent country in the past few years. It's important to have a successful model for countries for the future and I think that Montenegro can play that role and both for NATO. Giving them the Membership Action Plan last December was a good idea.

I'd like to see the EU engage more forcefully and to see us help Montenegro be a good example for Serbia and for other countries in the region.

Eighth, we do need a robust bilateral agenda with Serbia. That's been discussed.

And ninth, I don't want to forget about Albania either. Albania has done tremendous work as a member of NATO but still suffers from a lack of political maturity, corruption, transparency issues, and a weak economy, and this is where again a light at the end of the tunnel from the EU, combined with very firm demands about what Albania must do to reach that light at the end of the tunnel, can try to motivate the political parties in the process there in ways that haven't been done recently.

Those, Madam Chairwoman and distinguished Senators, those are my ideas for elements of a robust agenda. They're not all new. Of course, the administration's doing a lot of these and I believe that experts in the administration could flesh these out even more and add to them, but I generally believe that the attitude has to be one of turning on the gas.

Thank you.

[The prepared statement of Mr. Volker follows:]

PREPARED STATEMENT OF KURT VOLKER, SENIOR FELLOW AND MANAGING DIRECTOR, CENTER ON TRANSATLANTIC RELATIONS, JOHNS HOPKINS UNIVERSITY, WASHINGTON, DC

Thank you Madame Chairwoman, Senator DeMint, and all the distinguished Senators here today for the opportunity to testify about the Balkans region.

Like a whole class of U.S. diplomats, I first worked on and in the Balkans region some 18 years ago, during the height of the Bosnian war. I had served in the NATO office of the State Department, dealing with the changes to European security as wars first broke out in the former Yugoslavia. I was with Secretary of State Eagleburger in Geneva in December 1992 when he gave a major push toward establishing the International Criminal Tribunal for the former Yugoslavia.

I then served as an Assistant to the Clinton administration's first U.S. Special Representative for Bosnian Peace Negotiations, Ambassador Reginald Bartholomew, and in that capacity, had the experience of taking part in the Vance-Owen negotiations, and sitting in bilateral and multilateral meetings with Slobodan Milosevic, Radovan Karadzic, Franjo Tudjman, Alija Izetbegovic and many others involved in the war, many of whom have later been placed on trial in the ICTY. I have a vivid recollection of flying into Sarajevo when it was under siege, and hearing mortar shells explode outside while we visited a hospital, which itself had been targeted.

Immediately following, I served in Hungary and helped establish the first U.S. military bases in a former Warsaw Pact country, in order to facilitate the deployment of U.S. military forces from Germany to Bosnia, beginning in December 1995.

I again worked on the Balkans when war in Kosovo broke out, working for my colleague here, Assistant Secretary Vershbow, when he was U.S. Ambassador to NATO, and then as Deputy Director of the Private Office of NATO Secretary General Lord Robertson, as we strengthened the KFOR peacekeeping mission. I then also worked with Lord Robertson, EU High Representative Solana, and others, in the successful effort to unwind the ethnic conflict that threatened to engulf Macedonia.

And finally, in working on every round of NATO enlargement since the fall of the Berlin Wall, I have helped support the democratic transition and Euro-Atlantic integration of the nations of the region. In the State Department and as Ambassador to NATO, I have worked with Slovenia, Romania, Bulgaria, Croatia, and Albania—all as members of NATO—in dealing with common challenges in the region as well as in Afghanistan and elsewhere. I have worked closely with the EU, Turkey, and Greece, and occasionally waded into the fraught “name issue” concerning Macedonia. I have traveled extensively in the region, including well outside the capitals, and developed close contacts with senior diplomats and officials in every country there.

With that background, and having dealt with other serious security challenges facing our transatlantic community, such as Afghanistan, I would like to make a few observations about the Western Balkans—and U.S. and European policy—as I see it today.

First, I want to stress the degree of progress that has already been made.

I remember well the days when war was raging between Serbia and Croatia, or among the three sides in the Bosnia conflict, the war crimes and ethnic cleansing. And I remember the fatalism present in much of the commentary at the time: that the Balkans were an intractable region with centuries of ethnic hatred, with no tradition of democracy, that it would be impossible to get right, impossible to get out once we get in, impossible to get involved without taking sides, and frankly, “we have no dog in that fight.”

We had just drafted a NATO Strategic Concept in 1991 where we spoke of NATO's role in crisis management and preventing conflict in Europe. Yet when war broke out, the United States and NATO engaged diplomatically, but otherwise—tragically—stayed on the sidelines until after the Srebrenica massacre.

Well, frankly, and with 18 years of hindsight, the fatalism present in those early debates was entirely wrong. Though challenges of course remain, we have seen enormous successes and progress throughout the region. The Western Balkans region is now surrounded by stable, successful democracies that are members of the EU and NATO—Greece, Bulgaria, Romania, Hungary, Italy.

And many within the Western Balkans have themselves become extraordinary success stories. Slovenia and Croatia are vibrant democracies, increasingly prosperous, and members of NATO. Slovenia is also a member of the EU, and has even served a term in the rotating EU Presidency, and Croatia is well on the way to EU membership. Albania has been successful as a member of NATO and despite its continuing political and economic difficulties remains far ahead of where it stood at the end of the cold war. Montenegro is making rapid strides on all fronts.

And one thing is now crystal clear, even if was not clear back in 1992: We may not “have a dog in the fight” when it comes to favoring one ethnic group over another, but we clearly have a very strong U.S. interest in there not being a fight to begin with. Instability and violence in the Balkans affects us all; and the success of the Balkans region is a benefit to us all. We have invested heavily there over

the years, and for good reason, and with good effect. This is a region that can make it.

And this brings up my second point: The progress we have seen in the Balkans is directly attributable to robust U.S. and European policies, including a strong emphasis on NATO and EU enlargement.

Where Europe has been successful, it has found ways to overcome the divisions of history. Whether it is France and Germany, Protestant and Catholic in Northern Ireland, the Tirol, Transylvania, or Germany and Central Europe, the key to success in European political, economic, and security development has been integration, benefiting Europe's citizens today, overtaking divisions based in history and emotion that spiral downward.

Overcoming history is no easy task. It takes strong incentives, and powerful disincentives, for nations and leaders to let go of irredentism, the memories of territories lost, the grievances of past warfare, and to instead invest in the future. Here, the real and near term prospect of membership in NATO and the EU—and the political and economic benefits that come with that—have provided that kind of incentive structure for all the states of Central and Eastern Europe, including Slovenia, Croatia, and others in the Balkans. It strengthens the hand of reformers in convincing publics that short-term pain, and giving up on nationalist agendas, will deliver greater benefits in the near term, and that the contrast, wallowing in these agendas, will separate a nation from a growing, integrated European family.

I agree with those who stress that countries must meet the conditions of membership. No doubt about it. But we can be passive or active. A passive stance gives little incentive to reform, and empowers those with narrow agendas. But an activist stance, where we stress our willingness to admit new members and we work with candidate countries on specific reforms and criteria empowers those who are prepared to implement the fastest and farthest reaching reforms.

My third point, therefore, is to state the obvious: We never finished the job. Indeed, there is a strong case to be made that we started packing up prematurely:

- That where states never reached the level of NATO or EU membership, there has been regression;
- That leaders with nationalist agendas remain strong;
- That there has been political regression on many fronts;
- That narrow agendas—in the region, but also among EU Member States—are taking precedence over the strategic goal of integrating the region as a whole;
- That U.S. and EU engagement and assistance was ratcheted downward too quickly in an effort to hand over responsibilities and focus on even more serious challenges in Afghanistan and Iraq; and
- That despite the formal positions of NATO and the EU, the reality is that further NATO and EU membership is now seen as a dim prospect, not a near term possibility that can inspire hard work and hard choices today.

And indeed, this is really unacceptable—to have made so much progress, and then see it now at risk. The costs of finishing the job in the region now are far lower than what were the costs of war, and stopping war, in the past—and indeed lower than the costs of dealing with a potential return to instability in the future.

Today, we are putting an extraordinary military, civilian, political, and regional effort into Afghanistan—and rightly so. The challenges in Afghanistan and Pakistan—and with violent, Islamist extremism on a wider scale—are enormously difficult and complex. And the security of our country and of our transatlantic community depends on success there.

By contrast, the Balkans is far easier to help today: there is no active fighting; there is a literate population and skilled workforce; the economy is far more advanced, more integrated regionally, and open to the outside world; and there is a surrounding region that is stable and supportive of success within the Balkans. While the politics are of course difficult, we have every advantage in getting the Balkans right—and finishing the job—compared to the magnitude of the challenges we face in Afghanistan.

And yet we see a number of areas where the region is stuck, where narrow and divisive agendas are triumphing over long-term progress. Let me name a few examples:

- First, and most glaring, is Bosnia. Ambassador Richard Holbrooke, who is now the United States Afghanistan Envoy, did an extraordinary job in the 1990s ending the war and putting in place the Dayton Peace agreement. It was a huge accomplishment and probably the best that anybody could do at the time.

But Dayton's achievement was to freeze the conflict in place, giving time and space for political negotiations, rather than violence, to shape a long-term settlement. While we did well in the early years, in the past several years, efforts

to strengthen institutions, reform the constitution, improve governance, and reconcile competing structures have gone nowhere. Once NATO handed over security responsibility to the EU, the EU swiftly downsized the security presence. And in taking over the Office of the High Representative, the EU has been too hesitant in exercising the powers of the office to drive through necessary change. Now the talk is about reducing EUFOR further, when the forces of separatism are stronger than at many points in the past.

- Kosovo also risks being stuck. Frankly, the fact that a handful of EU Member States do not recognize Kosovo's independence has been extremely damaging to Kosovo's ability to move forward, and thus to wider progress in the region. It has complicated economic development, inhibited certain types of EU engagement, signaled to Serbia that there may yet be a chance of reversing independence, and kept the extremely dangerous talk of eventual partition alive. The reasons for not recognizing Kosovo clearly satisfy certain national or neighborly interests—but the net result is a far larger diminution of security, stability, and long-term political and economic development affecting all of Europe.
- Likewise, it is tragic that the name of Macedonia as a country has prevented that nation from moving forward into NATO and EU membership. It is clearly in the interests of Macedonia to become a member of these institutions, and clearly in the interests of Greece to see Macedonia and the wider Balkans region moving forward. Indeed, under Prime Minister Papandreou, this renewed push for integration of the Balkans has been striking and welcome. But 2 years after the Bucharest NATO summit, where Greece blocked Macedonian membership—even under the old formula of “former Yugoslav Republic of Macedonia”—the issue remains an impediment, and arguably has gotten worse.
- Serbia remains in a mixed position vis-a-vis the region and Europe, and the question is how Serbia itself can move forward. The combination of the impossibility of accepting Kosovo independence, the vestiges of extreme nationalism, and the painstakingly difficult engagement with the EU and NATO have combined to keep this critical country in the region from taking decisive steps forward domestically, and in contributing to a more vibrant, prosperous Balkans region.
- Montenegro has fared far better, making significant strides on politics, governance, development, anticorruption, and good neighborly relations, in just a few years. It has entered NATO's Membership Action Plan. But this now also begs the question of next steps in regional and European integration.
- Albania has made it into NATO, but is far from EU membership and is still struggling with the maturation of political institutions, economic development, and fighting corruption and crime.
- And finally, a comment about the EU and NATO as a whole. The EU already has a long-established case of “enlargement fatigue.” This is compounded by the desire of some to prevent Turkish membership in the EU—and thus any step toward enlargement which could have the effect of bringing the Turkish question closer to today's agenda. The Euro crisis has brought out a wave of recriminations within the EU, and especially Germany, that expands beyond the mere question whether the Euro zone was enlarged too loosely, but whether any further enlargement is wise or viable. Despite the EU's formal position on Balkan enlargement, the chatter is that Croatian membership will be the last enlargement of the EU for a very long time. NATO has done better—bringing in Albania as a member, keeping Macedonian membership as a live option if the name issue is resolved, bringing Montenegro into the Membership Action Plan, and working with Bosnia and Serbia through the Partnership for Peace. But NATO, too, has deemphasized the prospect of future enlargement, and this is noticed both by reformers and nationalists in the region.

And with this snapshot of the region, it brings me to my fourth and final point: We should aggressively pursue an ambitious strategy of engagement in the region aimed at finishing the job as quickly as possible; of making the Balkans region every bit as “mainstream” in Europe as the Czech Republic or Portugal; of ensuring that every country in the region has the opportunity to become a NATO and EU member if it so chooses, and (with our help) does the hard work necessary.

Here, let me applaud the recent trip to the region of Deputy Secretary of State Steinberg, and Spanish Foreign Minister Moratinos. It is tremendously important to show engagement at that level, and important that the United States and EU are seen acting together. And this is just the latest of several such trips.

In the future, I hope that EU High Representative Catherine Ashton takes part in such a joint visit, and that NATO Secretary General Rasmussen or his designee is also invited to take part. It is important to show a strong, united position of the

entire transatlantic community, and to get back on track in emphasizing the realistic prospect of NATO and EU membership.

To operationalize this engagement further, I believe it is important that the United States and Europe pursue a concrete agenda on several fronts. It is worth greater investment of resources, and indeed, greater political risk-taking, because the gains are worth it, and the risks of not doing so are even greater.

The following steps, some of which are already being pursued, when taken together can become a key part of such an ambitious transatlantic agenda for the Balkans:

First, we must renew the positive commitment of the EU and NATO to enlargement in the Balkans. At upcoming NATO and EU ministerial meetings, and especially at the NATO summit and U.S.-EU summit this autumn, we should make a clear and unequivocal statement that we are prepared to admit new members in the region as quickly as they are able to meet the criteria of membership. On the EU side, there should be no linkage to Turkey or any other factors; and on the NATO side, no linkage to Georgia, Ukraine, Russia, or other enlargement considerations. This is simply about the Balkans.

Second, to do this, it is particularly important to engage not only the EU and NATO as institutions, but also the Member States. And when it comes to further enlargement, it is particularly important to engage Germany and France, though of course all members are critical. It also vitally important to engage directly with those states that do not yet recognize Kosovo as an independent state to urge maximum flexibility on their part for the good of the region as a whole.

Third, this renewed rhetorical commitment must be followed up by concrete actions. The EU and NATO should aggressively use the tools already at their disposal to put countries on a membership track and use the mechanisms within that track to push for necessary reforms. For the EU, this means association agreements, candidate status, detailed consultations about requirements to implement over time the EU acquis. It also means visa-free travel for all the citizens of the region, and in this context, Foreign Minister Moratinos' comments about visa-free travel for Bosnia being discussed by the EU in June are encouraging.

In the case of NATO in particular, we should make clear our willingness to admit Bosnia and Herzegovina to the Membership Action Plan (MAP), based on their meeting clearly defined criteria (e.g., settlement of defense property questions) in the near term.

It is worth recalling that when the MAP was created at the Washington summit in 1999, there were no criteria whatsoever—it was simply a tool established by NATO to help countries meet the requirements of membership. We have consistently drifted away from that position over the years, insisting, for example, on a period of “intensified dialogue” before offering MAP, and setting out other conditions. This led to the unhelpful outcome of the Bucharest summit, where we promised membership to Georgia and Ukraine without offering MAP as a framework for helping them meet the criteria of membership—a complete reversal of the sequencing applied by NATO in the preceding decade. We are now too far along to offer MAP to Bosnia without their meeting any criteria, but we should define those criteria and help see that they are met quickly, and that MAP is offered as both incentive and reward. We should return to seeing MAP as a tool worth using.

Fourth, we should maintain a robust international presence and commitment in Bosnia, including a strong OHR with a U.S. Deputy and a robust EU Force, until Bosnia sustainably implements far-reaching reforms. The fact is that the situation has deteriorated in recent months and years, and further international community drawdowns would only further that disintegration. We need to increase our investment and commitment, in order to push through necessary reforms and enable long-term success.

Fifth, likewise, we need to maintain our robust commitment in Kosovo as well—both through KFOR and through the EULEX operation. We must work patiently but determinedly to ensure that minority rights are respected, to remove parallel governing structures, and to facilitate the integration of north Mitrovica into Kosovo as a whole. And we must be categorical in rejecting any proposals for partition of Kosovo.

Sixth, we need to give a renewed impetus to the effort to resolve the Macedonia name issue. Here, the U.N. has the lead, under negotiator Matthew Nimitz, but the United States can play a critical role behind the scenes. Macedonia has the greatest interest in a resolution of the issue, because membership in NATO and the EU awaits, but Greece too has a direct interest in seeing all of its neighbors advancing in political stability, economic prosperity, and security through EU and NATO membership. Direct meetings between the Prime Ministers have already taken place, and these are essential. Further confidence-building measures would be helpful—for

example, from Macedonia, in reversing provocative steps such as the name of the airport and highways, removal of certain public statues. And in the end, a compromise—not a zero-sum or 100-percent solution—must be found, and the basis for such a compromise already exists within the framework offered through the U.N. negotiations.

Seventh, we should be forward-leaning with Montenegro as a success story that can help generate greater momentum in the region. The decision to admit them to the Membership Action Plan of NATO last December was a wise one. Montenegro has further work to do on strengthening democratic habits and institutions and fighting corruption, but the progress it has made already is impressive. Successful integration of Montenegro into Europe, based on Montenegro's own performance, can be a powerful example for Serbia, Albania, and others.

Eighth, as the United States and the EU, we should carry out a robust, bilateral agenda with Serbia. It is too much to expect that Serbia could recognize Kosovo in any foreseeable timeframe, and yet Kosovo's independence is a fact that will not change. This contradiction creates a drag on the entire region. In this unsettled situation, however, the best we can do is reach out to Serbia as a country and as a people to help them reinforce democratic institutions and integration as a whole, while simultaneously working to strengthen Kosovo as a democratic state that is itself integrating in the region and in Europe. At the end of the day, the mutual integration of Serbia and Kosovo into a larger framework may be the only way to get beyond the zero sum approaches to independence in play today.

Ninth, as the U.S. and EU, we should continue to encourage Albania in strengthening its democratic institutions, its economy, and government transparency and anticorruption. And this again depends on a clear light at the end of the tunnel in terms of EU membership, provided Albania implements the necessary reforms effectively over a sustained period of time. This is obviously not a near-term prospect, but at the same time, the direction must be clear.

Madame Chairwoman, these elements are the beginnings of an aggressive strategy and agenda for finishing the job in the Balkans—a job we started almost 20 years ago. I am sure that experts in the administration can sharpen these elements and add additional ones. But the critical thing is that we make our intentions clear, we act affirmatively, we mobilize others, particularly in NATO and the EU, and we assist reformers in the region to bring their own countries forward. If we are passive, we will see continued backsliding, at risk to the region and ourselves. But if we are active, we have a realistic, near-term chance to bring the region into the transatlantic mainstream once and for all.

And given all the other problems we must deal with in the world, achieving a realizable success is certainly worth the investment it will require.

Thank you for the opportunity to testify at this hearing.

Senator SHAHEEN. Thank you very much.

Mr. Vejvoda.

STATEMENT OF IVAN VEJVODA, EXECUTIVE DIRECTOR, BALKAN TRUST FOR DEMOCRACY, THE GERMAN MARSHALL FUND OF THE United States, BELGRADE, SERBIA

Mr. VEJVODA. Thank you very much, Madam Chairwoman, Senator DeMint, and Senator Voinovich. It's a true honor to be once again at the United States Senate to testify on issues of the Balkans.

The visit of Vice President Biden for this administration was, I think, a crucial reminder that there was unfinished business and that it required the joint efforts of the United States and of the European Union to continue to reach a goal that is within reach, and I think that compared to all the other burning issues on the international agenda that we all confront and they need no mention, I think this is one where we can have a success all together, first of all, for the benefit of the citizens of the region where I come from and for the transatlantic community.

That said, of course, the closer one gets to the goal, the more difficult it gets to put the final pieces in place.

I would remind that Baroness Ashton in her new position made her first visit outside of the European Union to the Balkans after having come to the United States and I think that was a very robust message that this was a priority for the European Union and it is heartening to hear the United States administration, in the guise of the previous speakers and of the Congress, that this joint effort will be continued. It needs to be maintained.

Movement toward European and Euro-Atlantic integration is extremely important and any stagnation could lead to festering and to at least worsening some of the situations internal to the country.

That brings me to the region and I think that even though we talk of individual countries and I agree with what has been said on their progress and we applaud that progress and I think we're becoming better at becoming each other's champions in EU and NATO integration, but what I mean by region is that positive dynamics affect each other as do negative dynamics. Just as the Slovenia-Croatian border dispute sent a bad message of the whole region to the rest, so the resolution or opening of the resolution sent a good message.

We do communicate—we do function as communicating vessels and so the positive signs that we have seen recently, as Senator Voinovich mentioned, the meeting at the Brussels forum organized by the German Marshall Fund, between President Tadic and President Josipovic, after their very successful meeting in Croatia, was extremely important. They sent very clear messages together on the integrity and sovereignty of Bosnia and Herzegovina on the need to work together. The two governments of Croatia under Prime Minister Kosor and Prime Minister Srbijie of Serbia are working out concrete ways into which to start revolving the numerous bilateral issues. This is leadership and both presidents have spoken about European partnership and leadership as they have addressed this issue.

One example of this cooperation which is in fact not only regional but transatlantic cooperation has been mentioned here today is the fight against organized crime. The United States agencies that are fighting drug trafficking have worked together with Serbia and Croatia and have successfully managed to capture 2.2 tons of cocaine in Mid-Atlantic and in fact yesterday the Serbian Judiciary indicted a certain Darkosharish and his people for these organized crime activities that are extremely dangerous and that are even threatening to maybe eliminate some of the leaders in Serbia because they have hit the hornet's nest. These are people who have millions, if not billions, in cash and can buy anything and thus are very dangerous.

I mention this because this has propelled regional cooperation. The work of security forces in the region between Serbia, Croatia, Bosnia, Montenegro has been very important and in fact Serbia has suggested that the Regional Crime Center be organized and Croatia's already indicated its support to this. So again, without the United States, without the EU, we cannot tackle these global issues that affect all of us, just as we fight global terrorism together.

I would like to give a few examples just in the past few days of how positive this development continues to be. Just today, I be-

lieve, the Ministers of Defense of Serbia and Montenegro have signed an agreement on further deepening of cooperation. Just 2 weeks ago, the Albanian Deputy Prime Minister and Foreign Minister Ilya Meta visited Belgrade after 7 years and indicated with his Serbian counterparts, meeting with President Tadic, that he wanted to reinforce bilateral relations, traveled to South Serbia, spoke to the Albanian community there jointly with his Serbian Minister of Local Government and said that Albanian Serbia would work together to help the economic prosperity of that community.

Today, President Josipovic of Croatia was in Bosnia and gave a strong statement apologizing for what Croatia did during the war in Bosnia. President Tadic was in Mostar in Bosnia-Herzegovina just 2 days ago, invited to open the Trade Fair and Serbia being the guest country, meeting with Bosnia leaders.

What I want to say is there is intense cooperation that is not visible to the common eye. Even those of us who are in the region do not see the myriad of activities and relations that are there. They now have to bubble up to the top to resolve the unfinished business that remains.

Let me also say that coming from civil society, the role that civil society organizations play in their countries individually but also in regional cooperation is extremely important. Those relations are a dense network of interconnectivity, of cross-border cooperation, of dialogue between Serbs and Albanians in what we call the Dayton Quadrangle, the effort at a reconciliation effort and Truth Commissions called RECOM between organizations working on confronting the past, and, of course, not to mention the declaration on Srebrenitza that you mentioned in your opening statement.

That is extremely important for Parliament of a nation 15 years after the massacre and genocide that occurred in Srebrenitza is, I think, foreboding of how the region is moving in that direction.

USAID has, I think, with other donors played an extremely important role and we are heartened to hear that USAID will stay in the region for at least 5 more years to come. I think that's a very wise and prudent decision that has been made to help all of these efforts.

Finally, a word on the economy which we haven't mentioned. The IMF and the World Bank continue to play a very significant role as we confront the global crisis. It would be important, also, to see WTO membership for those countries that have not yet joined Serbia among them and thus a proactive, pragmatic and constructive approach by the United States together with Europe, which is the home of Southeastern Europe, is warranted for.

Thank you, Madam Chairwoman, and I'm ready to answer any of your questions.

[The prepared statement of Mr. Vejvoda follows:]

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

Madame Chairperson, Senators, it is a truly great honor to be invited to speak today before this subcommittee of the United States Senate at this significant moment in the dynamics of Euroatlantic integration of the Western Balkans region as it continues the consolidation of democracy, peace, and stability. I am here to offer my personal views on the current issues and the opportunities and challenges that lie ahead.

INTRODUCTION: WESTERN BALKANS: 10 YEARS AFTER
MILOSEVIC, 15 YEARS AFTER DAYTON

This year marks two important anniversaries: 10 years of the end of the Milosevic regime in Serbia through a peaceful electoral process and 15 years of the Dayton/Paris Peace accords. The region of the Western Balkans has in this period moved forward with significant successes yet sometimes with ongoing challenges and unresolved issues. The fact that it lies in core geographic Europe, an “inner courtyard” of Europe surrounded by EU and NATO members (Italy, Slovenia, Hungary, Romania, Bulgaria, and Greece) has been conducive to the advancement of the region in European and Euroatlantic integration processes. The joint transatlantic, U.S., and EU support to the processes of stabilization and democratization of the Western Balkans has been a key element in this forward-moving dynamic.

In my introduction to a hearing before the U.S. Senate on 14 July 2004, I wrote: “The point of these introductory thoughts is to say that there is a positive story in the Balkans that is not getting out. The reasons are many: attention internationally has shifted elsewhere, there are more burning issues in other parts of the world, the Balkans seem by comparison in less need of attention, but also because when focus on the Balkans occurs it is most often solely because of the outstanding and still unresolved issues.”

Nearly 6 years later this situation still holds. The Western Balkans are firmly on their way to join the EU and NATO (with the exception of Serbia on NATO). Whatever the remaining challenges, and these should in no manner be underestimated or belittled, they seem to be of a nature that with engagement and commitment of all parties, domestic and international, prudence and realism, lead in a reasonable timeframe to resolution.

That is why it is important to not forget the Western Balkans and to see this democratic peace project through to its Euroatlantic haven.

EUROPEAN UNION: THE PEACE PROJECT AND THE PROMISE OF MEMBERSHIP

The European Union as it stands today is at origin an emphatic political post-World War II peace project. It has created an institutional framework encompassing 27 Member States, comprising close to half a billion citizens. The Western Balkans constitutes the next crucial chapter of that project.

As with other countries of the post-Communist world, the Western Balkans strongly aspire and endeavor to join that peace project and its present institutional framework.

The soft-power of the European Union with its policy of open doors to further enlargement is both a strong incentive and an enabler and facilitator for the necessary difficult and deep-seeded democratic and market reforms required for these new European democracies to become consolidated.

As with the enlargement of the EU (then European Community) to the two post-dictatorship countries of the Iberian Peninsula, Spain and Portugal in the 1970s, and to Greece after the dictatorship in 1981, so the embracing of the Central and East European countries after 1989—the “return to Europe”—has been a fundamental shift in the political geography of Europe.

The Balkan Peninsula, after the Apennine and Iberian Peninsulas, is the final Southern European component that will join the EU—thus continuing the unfinished business of creating a Europe whole and free and at peace.

Geography matters and the case of the Balkans confirms it. But history has an equal if not greater impact. The former Yugoslavia took “a wrong turn” in 1991 and descended into a violent breakdown when all others were “returning to Europe.” Now the region with its difficult historical legacy, both of communism and of the devastating 1990s has chosen to join the others who have preceded it on the path to Euroatlanticism.

The promise that the EU gave at its summit in Thessaloniki in June 2003 was crucial in opening the route forward. Predictability and credibility of the path were essential to the endeavor and have brought the region to where it is today. Without this broad roadmap, without the realization of the politics of region that they too were in reach of joining their European kin, it would have been much harder to engage in the painstaking work of changing these societies and economies that had been left in a dire state after the violent conflicts of the 1990s.

The presence and support of the United States to these efforts has been of the essence in the whole region. Only by joint action has forward movement been possible.

TWO FUNDAMENTAL POSITIVE PRESUPPOSITIONS

That one can be cautiously optimistic about this dynamic of democratization and Euroatlantic integration is predicated upon two fundamental agreed upon positions of all of the democratically elected leaders and governments of the region:

- All of the Western Balkans leaders and governments have been democratically elected and have committed their countries to integration into the European Union and NATO (with the exception of Serbia for NATO).
- All of the Western Balkans leaders and governments have underscored that whatever outstanding challenges and unresolved issues stand before them they will address them solely by institutional, legal, and diplomatic means.

We have been seeing the positive consequences of these clear policy choices in the recent past and we are witnessing them today in a reinforced and multifold way.

EUROATLANTIC ENLARGEMENT

The European Union

All of the Balkan countries are now at some stage of integration with the EU. Croatia is the furthest ahead and is negotiating the final chapters of its accession. Macedonia is a full candidate awaiting a date for the beginning of its negotiations for entry. Montenegro has fulfilled the extensive questionnaire of the EU and awaits candidate status. Albania is in the process of filling out the questionnaire. Serbia presented its candidacy in December 2009 to the Swedish Presidency of the EU and awaits the month of June 2010 to see whether it will be moved to the next stage, receiving the questionnaire and seeing the beginning of the ratification process of the Stabilization and Association Agreement. Bosnia-Herzegovina has signed a Stabilization and Association Agreement and is expected to pose its candidacy for membership as the next step. Kosovo has a separate, parallel track and the EU is in the process of assessing next steps.

Visa-free travel remains a goal for Albania, Bosnia-Herzegovina, and Kosovo after Macedonia, Montenegro, and Serbia successfully attained this status in November 2009. This is crucial because it is probably the most tangible measure for individual citizens on the long road to accession. The visa-free regime is very simply a message from the EU which says: we do not wish to build walls; on the contrary you are welcome in our midst.

All are thus now embedded in and encompassed by the institutions, rules, and procedures of the European Union. This is of historical significance for the region, for Europe, for the United States, and for transatlantic relations. The processes of democratic reform, strengthening of rule of law, improving governance and transparency, fighting organized crime and corruption, and developing mutually beneficial regional relations are fully engaged to a greater or lesser extent. As the countries get closer to the EU these processes require more intense engagement and results.

The experiences of the EU accessions of Romania and Bulgaria in 2007 have made the rules of entry more stringent and rigorous for the Western Balkans countries. The governments of the region are well aware of this fact. It is clear that there will be no free pass for EU entry.

It is of paramount importance that the movement of EU integration progress on the basis of the merit of accomplished domestic reforms. The incremental integration of these countries is essential in motivating those who work on reform processes, but also because it helps address the outstanding unresolved issues in the region. The EU and Euroatlantic process has an enabling and soothing element in tackling the most difficult issues.

The Lisbon Treaty has given new impetus to the enlargement process. It has been very important that Baroness Catherine Ashton the High Representative of the European Union for Foreign and Security Policy made her first official visit outside of the EU, after visiting the United States, to the Western Balkans in February. She came with clarity of purpose emphasizing that the Western Balkans enlargement was a priority of the EU and her office. She was quickly followed by the new EU Commissioner for Enlargement and Neighborhood Policy, Stefan Füle.

Frequent visits to Brussels EU headquarters, but also European Member-State capitals, by all regional leaders are equally important for the ongoing exchange of information. This is vital in particular in view of the challenge of so-called "fatigue" with enlargement among certain quarters of the European Union states and publics. This is an issue that both the EU and the aspiring Western Balkan countries must bear in mind as they go forward. This is also where the United States can be supportive in stressing the importance of the continued forward movement of integration without fits and starts.

NATO

The enlargement of NATO has been a parallel and equally important process for the stabilization of the region and the consolidation of peace. The accession of Albania and Croatia to full membership in NATO in April 2008 at the Strasbourg-Kehl summit was a landmark in security for the region.

Unfortunately, Macedonia had fully qualified for membership but could not accede due to the veto from Greece. It is of the utmost importance for Macedonia and the region as a whole that the name issue between the two countries be resolved after 18 years in the shortest possible timeframe because it is not aiding the Euroatlantic integration process, nor allowing Macedonia to begin negotiations with the EU. There are certain cautious signs that maybe 2010 could be the year in which there will be positive movement on this issue.

The November 2006 acceptance of Bosnia-Herzegovina, Montenegro, and Serbia into the Partnership for Peace Program (PfP) was a judicious, although somewhat belated, decision. It helped foster further stabilization and greater security for the region.

Montenegro has applied for and received a Membership Action Plan (MAP) in December 2009, while Bosnia-Herzegovina applied for a MAP in October 2009. It would be conducive to the further security of the region and in the interest of Bosnia's sovereignty and integrity were it to receive a MAP sooner rather than later. It is not without significance that Serbia is fully supportive of Bosnia's Euroatlantic aspirations and path.

Serbia is a PfP member and will open its mission at NATO in the coming months, the Ambassador having already been appointed. Serbia is currently an exception to the rule of all countries in the region moving fully toward NATO membership. This is not surprising given the bombing by NATO in 1999. Irrespective, cooperation with NATO is intense and ongoing on all issues. The Serbian Armed Forces, as with others in the region, are adopting and complying with NATO standards. There is a vivid and lively debate in Serbian public opinion and civil society about the benefits and disadvantages of NATO membership. This open approach to an unresolved policy question is proof of its open-ended character. Serbia, in 2000, after the fall of Milosevic under the Prime Ministership of Zoran Djindjic, was fully in favor of joining NATO and stated this in official documents. This policy was then halted and a policy of neutrality instilled under Prime Minister Kostunica.

NATO is most importantly present in Kosovo through its KFOR (Kosovo Force) mission. The NATO mission in Kosovo, which also involves non-NATO countries, has now been brought down to 10,000.

In Bosnia-Herzegovina, NATO handed over its mission to the EU mission EUFOR, which currently has 2,000 soldiers.

It is important to note that bilateral military relations between all of the countries of the region and U.S. defense and military institutions are developing in a positive way. For example, in Serbia, Minister of Defense Sutanovac made his first official visit to the Pentagon in the fall of 2009, followed by a visit of the Serbian Chief of Staff General Miletic rapidly thereafter. Admiral Mullen made a visit to Serbia, and military cooperation with the Ohio National Guard has been outstanding by all counts.

REGIONAL COOPERATION—KEY INDICATOR

If the recent reopening of the railway connection between Belgrade and Sarajevo is anything to go by, then it is clearly there are positive developments in the region.

Regional cooperation has been ongoing at all levels. It has been substantive and varied over the past 10 years and has not seriously suffered from the passing political surface tension created by a number of situations related, in particular, to issues of the recognition of Kosovo's independence by countries neighboring Serbia. Economic relations have been enhanced, mutual investments have been made across borders, and visits of and cooperation between governmental and nongovernmental actors has been constant.

There has recently been a substantive political improvement in regional and bilateral relations within the Balkan region. For example, the understanding reached between Slovenia and Croatia last year to move toward resolving their border dispute, the election of President Ivo Josipovic in Croatia in February opening a new chapter in Croatian-Serbian bilateral relations, the visa liberalization for Macedonia, Montenegro, and Serbia that came into effect in December 2009 to enable travel to Europe, and Serbia putting forward its candidacy for the EU in December 2009 cementing its orientation to the EU—each has shown that the leaders and countries of the region want to move forward.

Presidents Tadic and Josipovic have given a powerful show of what they have themselves termed “European partnership”: a strong desire to move not only their own countries but also the entire region toward full stability and consolidated democracy. In a short span of time, they have already met twice in March for substantive meetings—once in Opatija, Croatia, and then 3 days later they joined each other on a panel at the Brussels Forum 2010 organized by the German Marshall Fund of the United States. They have charted a way forward demonstrating strong political will, determination, and commitment to resolving their outstanding bilateral issues. Both Presidents, as well as their governments, have also repeatedly and continually underscored their strong support to the integrity and sovereignty of Bosnia-Herzegovina.

The Albanian Deputy Prime Minister and Minister of Foreign Affairs Ilir Meta made an official visit to Belgrade last month and reiterated Albania’s interest in developing the closest possible relations with Serbia. President Tadic accepted an invitation to visit Tirana this year. Ilir Meta visited the south of Serbia, where a sizable community of ethnic Albanians who are Serbian citizens live. He said, while visiting with the Serbian Minister for Local Government, that Albania and Serbia would work together in helping better their existence.

In a demonstration of Albania’s good will toward enhancing close neighborhood relationships, the country permanently abolished the need for visas for Serbian citizens yesterday.

All the countries of the region have been affected by the global economic crisis and this has raised awareness of the extent to which they depend on each other for enhanced economic activity, trade, and exchange. They also fully understand that only as a region are they economically significant on the world market.

A trade fair that was opened for 2 days in the Bosnian city of Mostar by President Silajdzic and President Tadic of Serbia, as the special guest country of the fair, is a testimony to the awareness of the importance of regional economic and trade cooperation, particularly during globally difficult economic times. “Nobody will invest in countries captured by the past but will in those facing the future and agreeable to the fact that we must rely on each other” said Tadic at the opening.

The fact that the Western Balkans have now been for several years part of a unified Central European Free Trade Agreement (CEFTA) which is a mechanism allowing for the free flow of goods has helped them weather the global crisis to a certain extent. They have not been hit as severely as some other countries.

This does not mean that that growing unemployment, decline in economic growth, and loss of foreign direct investment has not caused serious difficulties, social pressures, and tensions (in some countries more so than in others). Interestingly, remittances from abroad have remained at levels comparable to those in prior years, which has somewhat alleviated the strain. The governments of the region are struggling to cope, and to find ways to develop productive activities and enhance exports.

The Regional Cooperation Center in Sarajevo, the legacy organization that followed the Stability Pact for Southeastern Europe (created in July 1999 in Sarajevo) has an important role to play in aiding a variety of efforts at the regional level. It is now in the process of defining its next 3-year strategy.

Fighting Organized Crime Together—Another Transatlantic Endeavor

Another very positive development has been provoked by the realization that criminals “cooperate” across borders with the greatest delight. The tragic assassination of the editor in chief of a Croatian daily newspaper in downtown Zagreb that involved “regional cooperation” between Croatian and Serbian criminals made authorities aware that if they did not robustly reinforce their own cooperation and exchange of information, that there was a severe danger of organized crime delving ever more deeply into state structures.

This new, intense cooperation produced effective results, including arrests of the assassins and organizers. There is now concerted talk of creating a regional center for fighting organized crime to be located, possibly, in Belgrade.

Cooperation with U.S. agencies, in particular the DEA, and with British agencies over a longer period of time produced the dramatic capture of 2.5 tons of cocaine on a ship in mid-Atlantic. Yesterday, the prosecutor for organized crime presented an indictment against Darko Saric, the alleged crime boss, and 18 other people for criminal activities and money-laundering on a huge scale.

Fighting organized crime and the trafficking of drugs, people, and weapons, only makes sense if tackled jointly in the region and globally. These challenges, that have their roots in the criminalization of the region that occurred during the conflicts of the 1990s, will have to be dealt with in an intense manner with important human and intelligence resources. Again, the role and support of the United States has been extremely fruitful and significant in this area.

Fighting global terrorism is also an important issue in which the region can give a valuable contribution.

Confronting the Past

The consequences of the 1990s conflict will remain with us for many years to come. Justice is being conducted in domestic war crimes tribunals and at the International Court of Justice for the Former Yugoslavia (ICTY) in the Netherlands. But the work of society with itself in understanding and condemning what was done in its name will be a much longer process, as we know from other historical precedents.

An important step was made on March 31 when the Serbian National Assembly voted in a Declaration condemning the massacre in Srebrenica in July 1995, calling upon the ruling of the International Court of Justice in The Hague that qualified Srebrenica as a genocide, expressing condolences and regret to the victims' families, condemning the fateful decision in the 1990s to use violence in resolving existing challenges, and reiterating the determination to arrest Ratko Mladic. This follows the presence of President Tadic in Srebrenica for the 10th anniversary of the genocide perpetrated there. The declaration was met with international approval. In Bosnia-Herzegovina itself, there were mixed appraisals but Suleiman Thic, leader of the main Bosniac party SDA, hailed the declaration and stated he would visit Belgrade soon.

There is still much to be done. First and foremost Serbia must arrest Ratko Mladic and Goran Hadzic, the two remaining indictees of the ICTY. In November 2009, the chief prosecutor of the ICTY gave a positive assessment of Serbia's efforts and will most likely produce a similar report in June this year. Until these indictees are arrested, this chapter will not be able to be closed.

Equally important, civil society organizations and journalists have been doing their part in contributing to these efforts at confronting the past and helping heal wounds that the conflicts created. One important effort is a regionwide project with civil society organizations from Croatia, Bosnia-Herzegovina, Serbia, and Montenegro called RECOM which intends to establish a regional process of truth commission work. Several meetings have already been held, the most recent one in Novi Sad last month. This initiative is directly supported by the European Union, among others.

The renewed dynamic of overall cooperation heralds a new dawn in the Western Balkans.

REMAINING CHALLENGES

The region, as compared to other parts of the world that have unresolved issues, fares relatively well. Peace has been achieved, stability is being reinforced, and a common awareness is arising about the need to champion each on the way forward.

The region is small. It holds 20 million inhabitants. It will join an EU of half a billion citizens. In the words of an entrepreneur, it is a "micro-region" in global economic terms and can only fare in the global market if it links up its economic potential. Late Prime Minister of Serbia Zoran Djindjic used to say: "We are only significant as a region of 50 million people in economic terms" (he was speaking of the Balkans as a whole, including Romania and Bulgaria).

Success for all—foremost for the citizens of the countries of the region, and then for all those around them, as well as for friends and allies, and for the United States and EU—is relatively close at hand. The final chapters of the unfinished business have to be written together.

It is the region and its Euroatlantic movement that will ultimately cure the remaining ills. We already see this dynamic at work. It is just as with the fact of being geographically part of Europe. The effects of the EU are palpable in the way the region is conducting itself. There is bond of mutual responsibility of the aspiring Member States and of the Euroatlantic family to see the process of integration come to fruition.

Nothing is simple or quick about this dynamic and thus determination and political will are essential.

I wrote in my testimony to this committee on July 14, 2004: "When domestic actors are incapable of solving a contentious issue and require a third party to mediate, then all parties become stakeholders. The crucial stakeholders are the domestic ones and unless they arrive at a solution based on compromise through negotiations then no solution will be found, or only half measures will be achieved. The lack of a solution in Cyprus, because one of the key communities was not on board with the proposed agreement, is an example of this, again all things being equal. [. . .] as in other similar/dissimilar seemingly "intractable" conflict or post-conflict situations (Northern Ireland, Kashmir, Sri Lanka, Basque country, Israel-Palestine,

etc.) the solution is in bringing the voices of moderation, pragmatism, and realism forward while blunting the arguments and basis of grievance of the extremists wherever they may be. The engaging of the dialogue is essential [. . .]. This long and arduous dialogue [. . .] should be resumed, reengaged, and broadened.”

Bosnia-Herzegovina will need the commitment of its citizens and of its leaders to find it in themselves to move forward. They will have to take responsibility and realize that the rest of the region is moving and that they must not lag behind. An example of what is possible was given when the announcement of visa-free travel was announced last year for Macedonia, Montenegro, and Serbia. Suddenly, the Bosnian administration began fulfilling requirements of the EU “visa roadmap” bringing Bosnia close to getting a visa-free status during the course of the year and maybe even by this summer.

The EU has clearly stated that until the Office of the High Representative is closed, Bosnia-Herzegovina cannot make its next step forward. This means that Bosnia needs to fulfill the remainder of the five conditions and two objectives.

One cannot not help but recall the failure of the so-called April constitutional reform package in 2006, when everyone had accepted what was proposed except for one political party that impeded its passage in the Parliament of Bosnia-Herzegovina. Missed opportunities of that magnitude lead to the situation that we all find ourselves in today: an apparent impasse with jockeying of all political actors for pole position in the pending parliamentary elections in October 2010.

It is thus unlikely that any agreement can be reached before then in Bosnia-Herzegovina. The unhelpful rhetoric from one or the other side is detrimental to the search for a compromise.

The visit of Vice President Biden, made on behalf of President Obama, to the Western Balkans in May 2009 was of great importance, visiting Sarajevo together with then-High Representative of the EU Javier Solana, and also visiting Belgrade and Pristina. This was a strong message with a unified position of the United States with the EU on the future of the region.

It was of the utmost importance that U.S. Vice President Joseph Biden reiterated the principle that no one was questioning the fundamental structure of post-Dayton Bosnia-Herzegovina, namely the bientity structure, but that a way forward for greater functionality of central government had to be found. All things being equal, the example of Belgium could possibly both inspire and soothe the key political actors, in that it is possible to have a structure of two entities with all of their identity, rights, and prerogatives, and yet have a functioning government.

Serbia and Croatia are among other guarantors of the Dayton Agreement. They have a key supportive role to play, along with the United States and EU, and they have been playing it.

The continued recent involvement of the United States through the presence of Deputy Secretary of State James Steinberg during the so-called (and temporarily failed) Butmir process, trying to help Bosnia to add a level of functionality to its central government so as to be able to make the next step to the EU, was a significant step in continuing U.S. commitment. Steinberg visited the region once again last week and this engagement and constructive concern has been well-received in the region.

Kosovo declared independence in February 2008. The presence of international organizations is and continues to be of the greatest significance. U.N. Resolution 1244 is still in vigor. The KFOR military mission acts under UNSC Resolution 1244 as does the OSCE mission.

It has been 2 years in which an EU rule of law mission, EULEX, numbering some 2,000 policemen, judges, prosecutors, and customs officials, has been in operation. Even though five EU Member States have not recognized the independence of Kosovo, they are all in agreement on the EULEX mission.

KFOR has said that it has reduced the number of troops on the ground after assessing that there was a degree of improvement in the security situation. Yet much needs to be done for the lives of all citizens, and particularly in the Serbian community in Kosovo.

Kosovo, to date, has been recognized by 65 states, roughly a third of U.N. members. They are, however, the most important countries for the Euroatlantic integration of the region. A question has been put to the International Court of Justice (ICJ) by the U.N. General Assembly in 2009 and the ICJ is supposed to give its non-binding opinion on whether Kosovo’s unilateral declaration of independence was in line with international law. Whatever the opinion of the ICJ, and it will be significant for the practice of international law in similar complex situations, the situation on the ground will not change. The opinion of the ICJ will be an opportunity for Belgrade and Pristina to possibly move toward settling what remains unsettled and to work toward further stabilization and peace.

President Tadic of Serbia has spoken of the need for Serbia to be part of the solution, a need for a more flexible approach to the challenge of Kosovo, about the year 2010 as a year in which a step forward in further stability and resolution of open issues is possible. He has spoken of the understanding and need for Pristina to be part of regional meetings, but under the label of Kosovo-UNMIK.

Authorities in Pristina have, for their part, voiced a willingness to engage as good neighbors with Serbia.

The two sides remain firm on principled positions: Serbia is clear that it will not recognize Kosovo's independence, while Pristina maintains the fact of its independent status. It has been clearly stated, though, that these principled positions have not impeded the way toward finding solutions to a number of existential issues.

While both sides are committed to bettering the lot of ordinary citizens, and of the Serbian community in particular, there is space to move toward a framework solution of the outstanding issues. What that will be it is hard to say at this juncture. One can detect signs of a willingness to address what remains unresolved and to look for closure.

Europe has seen similar, although always different, historical examples of this. Europe and the international community have a tool box and many precedents. It can be surmised that given the EU and Euroatlantic orientation of all leaders involved, there will be a way because there is a will.

A pragmatic and constructive approach which reinforces and underpins the positive domestic and regional dynamics that are at work is what is warranted at this juncture in the Western Balkans, given the above-stated clear commitments of all in the region to Euroatlantic integration and to resolution of all outstanding issues through peaceful means.

UNFINISHED BUSINESS IN 2004 VERSUS UNFINISHED BUSINESS IN 2010

I was first honored to be invited to testify in the U.S. Senate Foreign Relations Committee on 14 July 2004. The title of the hearing 6 years ago was "U.S. Policy toward Southeast Europe: Unfinished Business in the Balkans."

Understandably, the unfinished business of 2004 is different in large part than that in 2010 and yet in other respects similar. The domestic challenges of strengthening democratic institutions, a democratic political culture, the rule of law, more effective governance and transparency, and the fight against organized crime and corruption have made headway but much remains to be done throughout the region. Each of the region's governments are now fully part of the EU integration process, which means pursuing deep-seated reforms in key sectors of society and preparing their economies to join a single market where competition will be fierce and unyielding. But as they all prepare entrance and then enter as full-members, they will benefit from the support of the so-called structural funds that help align the economies of the new countries with the rest of the EU nations.

The EU itself will change in time and will grow to a Union of around 36 states.

One of the key reasons why there is overwhelming support for EU integration in the public opinion of these countries is that citizens realize, without needing to comprehend the intricacies of the workings of the *acquis communautaire*, that there is simply a little more security, a little more certainty, and the possibility for somewhat more prosperity by being a member of the EU rather than remaining outside of it.

The same goes for NATO integration in nearly all the countries. Metaphorically, citizens wish of their own free will to construct, as with the EU, a political, economical, and security roof which will make life somewhat more predictable after the devastating experience they had lived through during the 1990s.

All this still requires, above all, the close concerted efforts of the vital transatlantic partners that are the United States and EU.

Senator SHAHEEN. Thank you very much. I'm going to begin with you, Ambassador Volker, because I had a question about something you said in your testimony.

You talked about confidence-building measures for Macedonia. What specifically are you talking about?

Mr. VOLKER. Well, to give you a couple of examples, as you know, the airport in Macedonia is called Alexander the Great Airport. There have been acquisitions of some statues that are representative of what Greeks consider to be Greek historical figures, naming

of highways or schools. These are things that irritate. They don't amount to a threat to Greece. They don't amount to a grab for territory, but nonetheless they're an irritant that's unnecessary and so to find some areas where you could do the opposite, make a gesture to Greece, and were respectful of Greece's cultural identity, Greece's history as well as Macedonian history.

We're interested in being a good neighbor. Let's work on some things together. This is far apart from the name issue, by the way. This is just a matter of confidence-building in order to establish the relations to be able to deal with the name issue later on. I'm encouraged by the fact that the Prime Ministers have in fact met and will meet again. That's a good step.

I think that for a Greek public, they need to have confidence that a Macedonia is going to be moving ahead, away from the symbolism, just as the Macedonians need to have confidence that Greece is prepared to finally cut a deal on the name rather than adopt a maximilist position as was articulated by the previous Greek Government.

Senator SHAHEEN. Thank you. Senator Voinovich and the previous panel both mentioned the level of KFOR Forces in Kosovo.

Given your former position as Ambassador to NATO, I'm sure you have particular insights into what might be important to maintain there when it comes to KFOR Forces.

Do you think reducing forces would undermine stability in the region, and are you comfortable with the current level? As you look ahead to the ICJ decision, do you think we should be prepared to do more?

Mr. VOLKER. Difficult question. Let me start with a more general point before addressing your point about force levels.

What you need to have in Kosovo is confidence on the part of the population and acceptance on the part of the region where this country is going and you don't have that level of confidence right now and there are a number of factors.

Part of it is the sense of fatigue that you talked about on the EU's engagement in the region and commitment to enlargement. Part of it is the fact that a number of EU countries have not recognized Kosovo and this gives Serbia encouragement in a sense to think maybe this is reversible, maybe we should be holding out, maybe partition is possible. So it creates an instability over that.

There has been a lot of up and downs in the EULEX vision and the EU police presence and that with KFOR being the third line of defense behind first the Kosovo Security Services, second, EU-led police and then KFOR, people aren't confident in the first two and so KFOR is there as the guarantee, but it doesn't give people day to day confidence because KFOR doesn't do the direct policing.

So there's still a lack of confidence and direction which, in my view, means we have to retain a substantial commitment and presence throughout all of Kosovo.

Now that said, as you know, I've also worked on Afghanistan and if we had the density of forces in Afghanistan that we have in Kosovo, we'd be swimming in success. So I do recognize what our military leaders have said about the relative concentration of forces, relative to size of territory and population for Kosovo, com-

pared to Afghanistan, and I do have a great deal of sympathy for that.

But on the other hand, and as I mentioned in my testimony, my written testimony, this is an area where it's ripe for success. We don't have active conflicts. We have an educated population. We have a capable workforce. We have a regional economy that can get access to a global economy. We have a political process that we've invested in for some time.

It would be a huge mistake to disinvest too quickly and not achieve the success that we could.

Senator SHAHEEN. Thank you. Well, Mr. VeJVoda, you're clearly in maybe the best position to tell us what resolution to the Serbian-Kosovo issue might look like and how it could be accomplished and what a sustainable Kosovo might look like.

Do you want to give us your insights on that issue?

Mr. VEJVODA. Madam Chairwoman, that's a very tall order. I can only speak on behalf of myself and as a citizen of the region who tries to lean as far forward as one can and understand each other's sensitivities and preoccupations.

May I just add, which I didn't say at the beginning, I've also submitted a written statement which is broader.

Senator SHAHEEN. Thank you.

Mr. VEJVODA. First of all, let me say that I think that partly the confidence that I have that we are not only moving in the right direction but that we will get to a resolution is the fact that all of the elected governments and Presidents in the region have committed themselves to European and Euro-Atlantic NATO integration, barring Serbia for NATO because of the known issues, but even Serbia supports Bosnia's movement towards NATO, and I think that is extremely politically important for the issue at hand.

Second, all the same elected democratic governments have restated that they will resolve any outstanding issues, the ones we are talking about, by peaceful, diplomatic, legal, and institutional means, and I think that sets the framework and the stage for these challenges that remain that we have been talking about.

Now you asked me about Kosovo and I agree with what has been said. Kosovo has been recognized by 65–66 countries. That's a third of U.N. members. Two-thirds have not recognized. The process of recognition has been slower than many thought. That's partly due to the efforts of the Serbian Government but also because many countries have similar challenges. Spain, for example, and there's a bipartisan, if I can put a consensus in Spain, not to recognize.

So there's nothing easy about the issue that we're talking about, but I think that the fact that President Tadic, for example, from the Serbian side has spoken about the need for greater flexibility for 2010 as the year of possibly beginning to address this issue more substantively, his statement at the Brussels Forum in March, the panel at which Senator Voinovich was, that, of course, Kosovo must be part of regional integration, all these are signals as from the Kosovar side.

The Government in Pristina has talked about the willingness to be a good neighbor of Serbia and that means that both sides retain their principle positions, that Serbia does not want to recognize Kosovo, Kosovo is an independent state, and there's a movement

toward understanding that there's something unresolved there. Until one recognizes each other, there's something unresolved and that creates space for dialogue, for resolution, for pragmatic solutions but that have a framework.

Senator Voinovich mentioned the North of Kosovo. That's somehow unresolved. Now, we can take sides on how we see the North. The North is part of the territory of what Serbia calls the autonomous province of Kosovo and yet Pristina does not have control of the North. The North is under the control of NATO, of EULEX, of the U.N., and maybe there's space there to speak very neutrally and loosely to see what it is, what is it that the two sides could agree upon.

Whether one calls that opening status talks or not, that's up for grabs, I would say. I definitely think that the opinion, the non-binding opinion that will be given by the International Court of Justice is a sort of marker in time that may allow then the sides, Belgrade and Pristina, to move forward on this.

What I think is very important to understand, there is an awareness, I think everywhere, starting with Pristina and Belgrade, that Brussels, the European Union, will not take in a new Cyprus, a situation 40 years unresolved. That's a no-go and that's fully understood.

But even more importantly, I think that the domestic actors in the region, again Belgrade and Pristina, understand that it is better for them to move forward to find closure and resolution because of the citizens, because Europe will not see to it if we remain difficult with each other on this, and again I think no one neglects the difficulty of finding that way forward. That is why again U.S. and European engagement is so important because it needs the confidence, it needs the support to foster the proper forward movement that already exists.

There needs to be that, you know, creative support, finding ideas. There are—you know, I call this movement a European solution. Europe—this is not a new situation in Europe. You know, talk of Northern Ireland, of South Tirol, if you know your history a little better, the Schleznik Holschtein between Germany and Denmark. Europe has seen very difficult situations such as these. It has a toolbox. There are tools on the shelf that can be used.

The main thing is that the parties are willing to sit down and engage and use the appropriate tools with the help of the allies that we want to be part of and that we are in fact part of already. Once you're a candidate, you are part of the European Union. The European Union spends—is the biggest donor—so much moneys, not to mention United States efforts and NATO presence in itself.

So without having answered very clearly your question, what I'm trying to transmit to you is the atmosphere, the spirit and the leadership that now exists that wants to really bring this home. Whether it takes 1 year or 2 or 3 years, I don't think that anybody is thinking in terms of 10 years on this issue.

Senator SHAHEEN. Thank you very much. I can see why you got your reputation.

Senator Voinovich.

Senator VOINOVICH. Yes. Real quick on Kosovo. You've kind of laid it out.

First of all, the Court decision is not going to be binding. So what the reaction to that is going to be who knows. If it goes, it could end up in the Security Council again with Russia vetoing it and regardless of whatever happens here, the Metroviza thing's got to be worked out. That's the big issue, and again, as I mentioned earlier, I think that the sooner people start talking about all of the options that this happens or that happens, but it's still there. It's got to be—it has to be dealt with.

The other issue is, is that, you've got somebody in Kosovo right now who went to The Hague and the witnesses weren't there and so he's back raising a lot of fuss and he's probably going to go—he's more of a nationalist, even though if you look at his record, he understands the reality but may try to take advantage of this in terms of a political campaign. If he becomes involved in a political campaign, then it becomes more difficult for people to sit at a table because it's now politics.

So I just end on that, but I just think that the sooner people start to think about that, the better off everybody's going to be.

The other issue is Bosnia. What is the model for Bosnia? You know, do you think that the model they're talking about is a realistic one? Is there another one that could maybe make it more easy for the people to come together and get the job done that we'd like to see interface with NATO and the European Union, some other creative thinking in that regard, and then the issue of the European Union and how important that is to try and emphasize that and to the future of the area.

Mr. Vejvoda, you mentioned a couple of things that haven't been really talked about. One is organized crime and how it has a way of—it's an undertow that pulls down work toward the free market and in terms of reform of institutions and also the economy.

I met with a group yesterday that have been in for 15 years and recommendations to our government about how could the USAID be more creative. When we were in Serbia, for instance, we had some goods in our room that came about as a result of new businesses that had been created in Serbia because they went out into the hinterland and worked with people to create an economy.

In other words, the big issue here is what? Jobs, better economy, better wages and so forth. It seems to me that ought to be looked at more by our country.

And then the IMF and the World Bank, other institutions there that could provide—I think—what was his name? George Soros had a fund that spent more—supposed to have been on democracy-building but at that time I know several years ago when we talked about it, they were talking about getting some people together to create a pool of money that could provide some loans.

But I raised a lot of issues here, but I think the crime thing and, you know, when we talked to the President of Serbia, you've got to have cooperation from the other countries. Thank God Croatia and Serbia are working. What about the other ones that are there? What kind of cooperation are they getting in Kosovo or, say, Montenegro or some of the other places that are there?

I hit a lot of things. I guess the last one is how do you feel about the recommendation that we got from everybody and that was visa waiver and MAP before the election?

Sorry, Madam Chairman.

Senator SHAHEEN. And we only have 10 or 15 minutes. So I know you could probably go on all afternoon on those.

Mr. VEJVODA. OK. I'll try and be telegraphic, Madam Chairwoman.

Let me start out by saying that why is this Serbia and Croatia so important. Historically, those of you who know the region of Southeast Europe, historically from the 19th century, this relationship constituted the backbone of the Southern Slavic/Southeast European region, and when relations between Serbia and Croatia were positive, the whole region somehow also was pulled by this positive relationship.

This is particularly true for Bosnia and Herzegovina that is encircled by Croatia and Serbia geographically. These two countries are guarantors of the Dayton and Paris Peace Accords and they have a crucial role to play, for example, here, but they're also economically the strongest countries in what entrepreneurs say is a micro region.

We are a region of 20 million people. This will be a drop in the water of the bucket of the ½ billion European Union member citizens, but a very important region because it is unfinished European post-Second World War peace business and that is why if there we have a positive movement, I think it will actually affect, it will have a pulling effect on the rest of the region, and I would say on Bosnia and Herzegovina.

We have seen this with the visa waiver effect. As soon as the announcement was made that Montenegro, Macedonia, and Serbia would get a visa waiver, suddenly Bosnia kicked into gear and began doing the roadmap conditionality and hopefully they will get the visa waiver regime by July and hopefully MAP. As I said, I think many of us strongly believe that this is very important for the security of the region itself.

All countries clearly advance at their own pace. This is the rule in the European Union, but it is not good if anyone falls behind and I think that's where a lot of preoccupation in particular at this moment with Bosnia and Herzegovina and clearly with Kosovo equally, although Kosovo has been clearly given a signal from the European Union that it also has its path. Commissioner Stephen Fuller, Katherine Ashton and others, in their visits to the region, not to mention the United States, have repeated this.

But these issues, whether we're talking about Kosovo or Bosnia-Herzegovina, and I think you both mentioned and Senator Voinovich in particular, we're really talking not about floating islands in a global international agenda that have to be solved. This is directly related to jobs and foreign direct investments, and I think when I speak about the democratically elected leaders, they are fully aware that they have to create jobs and, in particular, in a situation of global economic crisis.

In fact, the region has become aware how mutually dependent we are. We have, as a region, survived because of the interregional trade. We have CEFTA, the Central European Free Trade Agreement, strangely called, but now basically in Southeastern Europe. This is very, very important because it creates the framework for what in fact will be our situation in a single market in Europe.

But as I said, this Trade Fair in Mostar is a small example of how the entrepreneurs are in fact pushing the political leaders to open up, to invest. There are many mutual investments in the region, some in some directions more than in others, but to your point about USAID, USAID sponsored 15 small- and medium-sized enterprises from Serbia to be present at this fair in Mostar.

So again, the donor work, just as the political work, of the United States is extremely important to help because there are no real financial resources in the region to create jobs. We need foreign direct investments and this has been a rather dire period since the global crisis kicked in.

I would say, finally, that the economy is absolutely crucial at this moment. The region has fared rather well compared to other parts of the world and some other European countries. I think this is in part due to the catastrophe of the 1990s where we paid a huge price. So there were more conservative policies in macroeconomic stability that were run through the region. This allowed us to weather the crisis all together, but again I think just because we had this terrible experience all together and, of course, some paid a higher price than others, nobody wants to go there.

The citizens, first of all, they want normalcy. They want a return to a somewhat more secure and predictable life with somewhat more prosperity and that is why we have strong majorities of public opinion who want to join the European Union and NATO in this region, and I think the constructive support coming from the Transatlantic Partnership that is the United States and the EU is cardinal to seeing this brought to a safe haven that are the memberships in these two organizations.

Mr. VOLKER. If I may just offer a few brief comments on some of the issues. I won't cover everything.

First off, I think, starting with the issue of the status of Kosovo and status of Metroviza that you raised, I think what we do not have right now is a sense of inevitability. This is still very much open in the minds of Serbia, in the minds of people in Metroviza, and as a result, there's not really a willingness to negotiate on terms.

How do you protect the people of Metroviza? How do you guarantee Serb patrimony? If the whole issue is still seen to be on the table, then it's hard to get to a negotiation of what the right protections are. So I think to some degree perhaps the Court case can help. Certainly the European Union can help. We need to establish a sense that this—it is going to be a fact, that Kosovo is going to be an independent state.

Secondly, I think it would be a mistake to try to put Serbia in a corner and insist that they recognize in a legal formal way this independent state. That's just not going to happen any time soon.

I think it is quite possible for Serbian leadership, Serbian people to accept a fact on the ground, but not to be made as a matter of principle to say, yes, we endorse this.

Senator VOINOVICH. Let me interrupt. It seems to me that just recently, we have now started to work with the Kosovars to talk about Metroviza. We have the grand plan, the United States has, and from my perspective, I don't think that's smart.

We've left it alone for a long time because we know if we stuck our stick in there, we'd have a hornet's nest. So everything's kind of quieted down and they're getting along. You've got South meets the North. But now, like the United States right now, we've got a new idea about how this is going to be and I'd just like your reaction.

Maybe we ought to cool it on this thing until some of these other things are worked out before we start getting in there and pushing things.

Mr. VOLKER. Well, I think you're raising an issue that I sympathize with, as well, which is, if you try to force people on a position of principle, you're going to stir up reaction to that, antibodies to that, that are going to give you trouble.

What we need in talking about the long term of Kosovo, rather than insisting on Serb recognition, what I think you could have agreement on is that both sides want to see both Serbia and Kosovo integrate into a larger whole, into a region, into a European Union.

I wonder if the parallel of Cypress is really a good parallel. Maybe the answer with Cypress would have been if you had Cypress and Turkey at the same time, you wouldn't have the same problem and maybe that's a way to look at that parallel instead.

But I do think that stirring up the issues of principle when you can instead make progress on issues of practice is something that we should be very concerned or thoughtful about.

A few other points on issues that you raised. I do think visa access is terribly important because that is what helps give the people of the region a vision for where they're going, what kind of society are they going to live in, what is going to be their relationships, what is it like in the other countries that they visit, and the ease of access. It's a signal about being a part of Europe and it is something that can inspire people to saying this is where we want to see our country end up. So I do think that's terribly important.

I spoke about MAP earlier for Bosnia and just on the issue of Bosnia where you had talked about the model, is this the right model or the wrong model, again a very difficult question.

Ultimately, the Dayton Accords were tremendously important in order to stop the war, but what they did is they stopped the conflict in place and they didn't really give us the ability to have a full settlement and they gave us time and political process that could be used to create a settlement. In fact, it hasn't turned out that way.

So I don't think that the institutions as they exist are going to work in the long term. However, I don't think you can agree today on any changes to these institutions because they will be seen by one side or the other as damaging their particular interests. It's going to advantage someone and hurt someone else.

So I think the first step, which is what we're doing, is try to make the institutions work and insist that the parties there do everything possible to make them work and that should get us back to a place where we can talk about more structural reforms that will need to be made for Bosnia to be sustainable in the long term.

Mr. VEJVODA. If I may, Madam Chairwoman. At a conference in Dubrovnik, Croatia, the Croatian summit last July, at the end of a long day of discussions along these questions, someone raised

their hand. It was the Irish Minister for European Affairs, and he said, "I don't know the first thing about the Balkans but I've been listening very carefully and I recognize very many similarities," and he said, "Look. We understood we could keep to our principle positions and yet slowly move forward and find the moment of the Good Friday Agreement and then 10 years later Jerry Adams and EM Paisley Act. He's sitting down without shaking hands at the same table."

I think, to put it in a nutshell, that's the model and I think Ambassador Volker is absolutely right. Nobody should be forced to do anything at this moment to relinquish their principle position. That is why I'm talking about the spirit of openness that I detect on both sides to understand that we need to move to resolving it and without putting any substance on resolving, but there needs to be a framework. It involves practical things like electricity, like, you know, customs and who the judges and prosecutors will be, but there must be something at the end where somebody signs something on the dotted line or doesn't.

There's somehow a resolution which has a framework and no one goes home totally defeated. No one goes totally the winner. This is not a zero-sum game, and I think—and again, Ambassador Volker put it right. Serbia should not be put in a corner nor should Kosovo, Pristina, you know, be forced to relinquish on something they believe.

Because this is a European space, I think we can move forward on this and on Bosnia-Herzegovina, without going into the long and deep history, this is a very particular case, but remember we do have, all things being equal, a country in Europe called Belgium that has two entities, that has a capital. Yes, deep history, much richer country, traditions. It is the capital of Europe, you know. Billions are flowing in because of the administrators, not to mention the Eurocrats who sort of pay high rents there, but I think it's a model worthy to be looking at.

During the Brussels Forum, I spoke with some European officials. They said, oh, maybe we'll commission a study to see how, you know, Belgium came to be. I think, I think that we have had democracy in Bosnia and Herzegovina for 15 years now. There have been elections. It has not delivered what, you know, everyone desired, normalcy to the people, economic progress, but, on the other hand, not one single soldier of the International NATO Force was killed there, you know, and need not put it into comparison with things further eastward.

There are many things going for finding the resolution. We need patience at a time where we're all impatient to see success in the unfinished business and that is why we have to stay the course. We, of course, in the region have to do the hard work of change, of democratic reform, of judicial reform, rule of law. We know that that's the only way we will advance, but we need you to be there for us to support this forward-movement and to actually incite at certain moments, whether it's putting the heat on, as Ambassador Volker says, or any other metaphor.

I think it's basically working with your friends to incite them to continue where they've already begun walking.

Senator SHAHEEN. Thank you, both, very much for your insights. I know we could go on much longer, but a vote has been called. So Senator Voinovich and I are going to have to go vote.

Thank you, all, very much for joining us and we look forward to your continued advice and counsel.

The hearing is adjourned.

[Whereupon, at 4:30 pm the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

[From the Wall Street Journal, Mar. 15, 2010]

UNFINISHED WORK IN THE BALKANS

ON THE CUSP OF A EUROPE WHOLE AND FREE, NOW IS NOT THE TIME TO RISK HARD-EARNED GAINS IN SOUTHEASTERN EUROPE

(By Jeanne Shaheen and George Voinovich)

After two devastating world wars on the European continent, the United States and its trans-Atlantic allies made a difficult but strong commitment to build a Europe that is whole, free, and at peace. This historic endeavor has not been easy, and it has come with extraordinary effort, time, and cost. Although the U.S. has made tremendous progress over the past 60 years, the job is not yet finished.

The Western Balkans remains the missing piece of the puzzle in Europe, and its integration into trans-Atlantic institutions remains a critical and elusive goal. Based on our meetings with leaders in the region last month, when we visited Croatia, Bosnia-Herzegovina, Kosovo, Macedonia, and Serbia, we believe it is vital that the U.S. and Europe renew their commitment to this joint vision of a united Europe.

It is only 15 years now since Bosnia was delivered from war, and only 10 years since NATO bombs stopped falling on Belgrade. In that short time, the region has taken momentous steps away from its troubled history. Most countries have now charted a realistic path for future membership in NATO and the EU. But while the U.S. and Europe are on the cusp of realizing their vision and reaping the benefits of their significant investments in this region, this is an extremely sensitive time in the Western Balkans. None of the backers of this project can let their attention drift or their commitment fade.

The situation in Bosnia remains a serious concern. To rise above its recent past, Bosnia needs to undertake some significant political and constitutional reforms. But politicians continue to use fear and division as a tool for consolidating political power—no matter the cost to their country. In Sarajevo, we sat down with a group of university students, and it was clear that the next generation of Bosnians have little confidence in their political leaders to meet the country's considerable challenges. It was disheartening to hear their unanimous distrust of Bosnia's politicians and their pessimism about the leadership's ability to move beyond the petty differences of the past.

With an upcoming election in the fall, Bosnia's current political situation does not bode well for real change in the near future. However, we believe that a well-timed expression of support from the Euro-Atlantic community could push the debate in the right direction in the months before the election. A commitment to bring Bosnia into the Euro-Atlantic sphere through the NATO Membership Action Plan process, along with a European Union visa-liberalization agreement, could undermine those political leaders exploiting fear and uncertainty and who would poison the well of European integration. A strong signal now could remind the people of Bosnia that their future is in Europe, and that they should choose leaders willing to bring them there.

Aside from Bosnia, the situation between Kosovo and Serbia remains a possible flash-point for the region. There is little doubt that the dream of a united Europe will not be realized without Serbia playing a leading role in the neighborhood. To its great credit, the Serbian leadership has demonstrated its commitment to European institutions. However, differences over Kosovo remain a stumbling block for continued advancement. Though Belgrade and Pristina have mutual disagreements, it's hardly unrealistic to hope for a creative, pragmatic, and sustainable solution that best protects and improves the lives of all ethnicities throughout the region.

One key contribution the trans-Atlantic alliance has made is to the region's ongoing security. Since 1999, NATO troops in Kosovo have played an integral role in establishing a secure environment there. We heard from leaders across the Western Balkans, without exception, that the situation remains too uncertain for the force to be withdrawn or reduced. Although we understand the need for additional peacekeeping forces around the world, now is not the time to risk hard-earned gains in southeastern Europe.

Outside the region, Brussels will play an integral role in the coming months and years. The perception of so-called "enlargement fatigue" from the EU is a real danger. The worry that there will be no viable EU membership path for the Western Balkan countries could undermine their reform agenda, and stop the positive momentum we have seen in recent years. If the U.S. is to help keep these countries moving towards European integration, we will need high level support from Brussels and our European allies.

It is incumbent upon all of the countries in southeastern Europe to play a constructive role in helping the region as a whole move forward. All of these countries need to recognize that they are all connected. None of them will find success and progress if any one of them are left behind. They have a shared history, and they all will have a shared future tied to Europe.

The countries comprising southeastern Europe are a vibrant kaleidoscope of histories, cultures, and religions, a mosaic of differences that has in the past been hijacked by political leaders and exploited to bring about division and war. The people of this region have an opportunity to turn the page on a difficult past and embark on a new chapter in their shared history. America and Europe have a chance to help them realize these dreams, but more importantly to realize our own mutual vision of a united, peaceful Europe. We have invested so much in this effort. Now is not the time to lose sight of that vision.

RESPONSES OF HON. PHILIP H. GORDON, ASSISTANT SECRETARY OF STATE FOR EUROPE AND EURASIAN AFFAIRS, TO QUESTIONS SUBMITTED BY SENATOR JOHN KERRY

Question. In your testimony, you stated that two primary obstacles presently preventing Bosnia and Herzegovina from entry into a NATO Membership Action Plan (MAP) are continued disagreement among Bosnia's leaders on the dispensation of defense property and disposal of the country's unstable munitions and light weapons stockpiles. The Peace Implementation Council also has stated repeatedly that a decision by Bosnia's Government on defense property is one of the objectives that must be fulfilled before the closure of the Office of the High Representative (OHR).

Other important issues that have affected Bosnia's progress toward NATO are the decisionmaking process on national security issues of the country's tripartite Presidency and related reforms to the country's council of ministers. Broader reforms to Bosnia's state institutions have also been raised in the context of NATO integration. A prospective country's ability to contribute to NATO missions and exercises remains a significant metric the alliance uses when considering a MAP.

- What led to the prioritization of resolving defense property and the undisposed munitions when formulating the requirements of a MAP for Bosnia? Does the United States consider reforms to Bosnia's Government and its contributions to NATO missions to fall outside the consideration of granting a MAP?
- Is the "5+2" conditionality for the closure of OHR insufficient to incentivize Bosnia's leaders to agree on defense property? Is the apparent addition of the prospect of a MAP to incentivize a resolution on defense property a recognition that the international community's conditionality has opposite effects among the leaders of Bosnia's constituent peoples?

Answer. The issues of movable (surplus weapons and ammunition) and immovable (land, buildings) defense property have been pending resolution since the passage of the 2005 Law on Defense, which created the unified Armed Forces of Bosnia and Herzegovina. Both were key objectives identified by the Bosnian Government in its Individual Partnership Action Plan (IPAP).

On April 14, the Bosnian Tri-Presidency agreed on a plan to destroy all of the country's surplus weapons and ammunition as well as to contribute up to 100 infantry troops in support of ISAF. We supported these decisions on their own merits, and also as an indication of the kind of decisions that Bosnia needs to be able to make to succeed in NATO's Membership Action Plan (MAP) process. However, immovable property issues remain unresolved. On this basis, allies agreed at the April 22-23 informal Foreign Ministerial in Tallinn to invite Bosnia into MAP, but to condition submission of its first Annual National Program on resolution of immovable defense property.

We believe all parties in Bosnia continue to have a strong incentive to meet the “5+2” requirements, which includes resolution of defense property issues, for closure of the Office of the High Representative (OHR). The EU has made clear that Bosnia will be unable to achieve membership candidacy status until OHR has closed. All of the major political parties in Bosnia and the vast majority of Bosnian citizens have identified EU integration as a top priority.

Question. Why did the recent U.S.- and EU-led negotiations at Camp Butmir on government reform and the closure of OHR come to a standstill? Every major Bosnian politician rejected the first U.S. package, which reportedly was offered on a “take it or leave it basis.” Later negotiations would also see the rejection of a second, negotiable, U.S. and EU package—why? Did the United States attempt to accomplish too much on the issue of reforming Bosnia’s Government instead of focusing on fulfillment of the objectives and conditions for OHR’s closure?

Answer. After several rounds of meetings with all of the parties, including three visits to Sarajevo by Deputy Secretary Steinberg, it became clear that the parties were unable to make the necessary compromises to reach agreement. With the exception of SDA President Sulejman Tihic, the party leaders did not demonstrate the required flexibility during the talks. Several party leaders made clear to us that their views and willingness to compromise were affected by electoral considerations in advance of the October 2010 general elections.

The 5+2 criteria for OHR closure were integral elements of the proposed package. While constitutional reform is not part of the 5+2 agenda, some of the parties expressed concern about the functionality of the State after OHR closure and indicated that progress on constitutional reform would facilitate agreement on 5+2. Constitutional reforms also are needed for Bosnia to become a credible candidate for EU and NATO membership. Looking ahead, together with our EU partners, we will continue to foster dialogue with party leaders to maintain focus on reforms necessary for Euro-Atlantic integration, including constitutional reform, and promote a nonnationalist, issues-based election campaign.

Question. What powers should OHR’s eventual EU-only replacement have? Should a future EU representative have certain “executive” powers that the high representative currently exercises under Annex 10 of the Dayton agreement? What would be the mandate of such a “reinforced” EU special representative? Should some of OHR’s executive powers be vested in Bosnia’s domestic judicial system?

Answer. The issue of the EU Special Representative (EUSR)’s role following the closure of the Office of the High Representative, as well as the High Representative’s Dayton authorities post-OHR, remains under discussion in the Peace Implementation Council and within the EU. We have stressed to the EU the importance of ensuring the EUSR have sufficient authorities to maintain stability and facilitate cooperation among the Bosnians after OHR closes. In the meantime, we continue to support the OHR and its efforts to resolve the outstanding 5+2 criteria, contribute to a positive election campaign and foster stability in Bosnia and Herzegovina ahead of the October elections.

Question. Serbia’s President Boris Tadic has made repeated statements in support of Bosnia’s sovereignty and territorial integrity in compliance with the Dayton Agreement. Despite these statements, Republika Srpska leader Milorad Dodik continues to make worrying moves that hint of outright secession. How much influence does Serbia have on Dodik’s actions? Are Dodik’s threats credible or is he trying to position himself with his constituents and assume a maximalist position in future negotiations with other Bosnian leaders on the powers of the state?

Answer. Serbia has publicly committed itself, as a signatory of the Dayton Accords, to uphold it and oppose any changes to the Dayton framework without agreement between Bosniaks, Croats, and Serbs. President Tadic has repeatedly made constructive statements to this effect and has emphasized Bosnia-Herzegovina’s sovereignty and territorial integrity. In light of Serbia’s historical ties to Bosnia and its European aspirations, Serbia can and should play an important role in assisting the parties to reach viable, long-term solutions that enhance Bosnia’s stability and Euro-Atlantic integration. President Tadic and Foreign Minister Jeremic have engaged with Milorad Dodik and other parties on constitutional reform to encourage them to engage in real dialogue. We encourage the Serbian leadership to continue to play a constructive role on these issues.

I look forward to working together with the Serbian leadership to encourage reforms and promote reconciliation in Bosnia-Herzegovina. We too remain committed to upholding the framework established by the Dayton Accords, strengthening State institutions, and maintaining the sovereignty and territorial integrity of Bosnia and Herzegovina. We are also determined, along with the EU and the international com-

munity, to protect the integrity of the Dayton Accords and State institutions against any attempts to undermine them.

Question. The European Commission's Enlargement Strategy and Main Challenges 2009–10 report found that "Montenegro will need to demonstrate concrete results regarding consolidation of the rule of law, particularly on judicial reform and the fight against corruption." In December 2009, NATO offered Montenegro a MAP.

- A. What progress has Montenegro made in the fight against corruption and organized crime? How did such progress affect the alliance's decision to offer Montenegro a MAP?
- B. Are you satisfied with Montenegro's cooperation with the United States, the EU, Serbia, Croatia, and other countries in the fight against narcotics and organized crime? How would you characterize Montenegro's participation in the search for Darko Sarić, who was recently indicted by the Serbian Prosecutor's Office for Organized Crime and whom some allege is hiding in Montenegro?

Answer A. Montenegro, like other countries aspiring to join NATO and the EU, must meet the rigid membership standards of the two organizations. This means that Montenegro must demonstrate its capacity to fight organized crime and corruption and to bolster public confidence in its justice sector institutions. The Government of Montenegro recognizes the fight against organized crime and corruption as a key priority and is making significant progress in implementing its multiyear strategy to reform the judiciary and strengthen the rule of law, as demonstrated by the new Criminal Procedure Code and the creation of an interagency taskforce—supported by the President and Prime Minister—to fight organized crime and corruption. More work remains to be done, of course, but we believe Montenegro is on the right track, and the United States stands ready to help bilaterally and through Montenegro's cooperation with NATO.

We are already helping Montenegro on this front through various assistance programs aimed at strengthening Montenegro's criminal justice system, establishing more transparency in its institutions, and expanding the role of civil society and the media in this effort. In fact, more than half our current assistance to Montenegro is for rule of law programs. As a participant in NATO's Membership Action Plan (MAP), Montenegro has set reform objectives across a broad spectrum of areas, including judicial and rule of law, and is working with the Alliance to implement them. In fact, we have tripled assistance to Montenegro in the areas of Democracy & Rule of Law in the last 3 years.

Answer B. We continue to encourage Montenegro, Serbia, Croatia, and other countries in the region to cooperate with each other as well as with the United States and European Union in the fight against organized crime and corruption. We coordinate closely with our international partners in this effort, and we stand ready to help all of these countries as they strengthen their cooperation. Senior Government of Montenegro officials have issued public and private assurances that Sarić will be arrested if located on Montenegro's territory.

Question. The Maritime Analysis and Operations Centre (MAOC), based in Lisbon, Portugal, coordinates antinarcotics efforts with several EU Member States. The United States participates in MAOC through a joint interagency task force. What is MAOC's relationship with Montenegro? Does Montenegro adequately patrol its maritime borders to protect against the inflow of narcotics?

Answer. Southern Europe has long been a conduit for illicit drug shipments destined for Western European markets. Montenegro is part of this traditional "Balkans Route" for Afghan heroin and, similarly, is a pathway for the growing trade in South American cocaine—including shipments transiting West Africa. To counter the surge in trafficking from Africa and South America, seven European Union Member States (France, Ireland, Italy, the Netherlands, Portugal, Spain, and the United Kingdom) developed the Maritime Analysis and Operations Center-Narcotics (MAOC) in Lisbon, Portugal. The Center coordinates the aerial detection and monitoring and maritime interdiction operations of the participating nations while maintaining seamless coordination with USG counterparts.

Montenegro is not a member of MAOC, nor does it have the capacity to perform aerial surveillance or maritime interdiction operations on the high seas. Nevertheless, the Government of Montenegro does participate in regional law enforcement coordination efforts in southern Europe. Bilaterally, the USG provides significant law enforcement assistance to the Government of Montenegro, including maritime border enforcement training. The Department of Defense has provided support for an electronic surveillance radar system to monitor ship traffic.

Question. How do you think Serbia's Government will react to the nonbinding opinion by the International Court of Justice (ICJ) on the legality of Kosovo's 2008 declaration of independence? Do you think Serbia's pro-Western government is seeking a favorable opinion so Serbia can proceed with EU integration, or might the government use the opinion to seek an agreement on Kosovo's status? What could such a deal look like? If territorial discussions involving Serbia and Kosovo are conducted on the basis of seeking mutual agreement between two sovereign states, would an agreement produced by such a process set a dangerous precedent elsewhere in the region?

Answer. We have made quite clear to the Serbian Government our position firmly opposing new status talks or any partition of Kosovo. With Kosovo's independence in February 2008, the final chapter in the breakup of the former Yugoslavia was closed. Kosovo's status is irreversible and its borders are settled. Attempts to foment partition or to divide the Balkans along ethnic lines could endanger peace and stability in Kosovo and the region. Kosovo has established a multiethnic democracy and a progressive Constitution, and is committed to governing itself in a way that is responsive to all its citizens.

Question. In December 2009, Serge Brammertz, chief prosecutor of the International Criminal Tribunal for the Former Yugoslavia (ICTY), stated before the U.N. Security Council that Serbia's cooperation with the tribunal "has continued to progress" and that "Serbia must maintain these efforts with the clear objective of apprehending the fugitives," which includes ICTY-indicted war criminal Ratko Mladic. Has Serbia maintained these efforts since December 2009? Do you expect Brammertz to find Serbia in full compliance with the ICTY when he next reports to the U.N.? How would such a report affect Serbia's EU negotiations with or without the apprehension of Mladic?

Answer. The current government, led by President Tadic, has made progress on cooperation with the ICTY, including the July 2008 arrest in Belgrade of former Bosnian Serb leader, Radovan Karadzic. Karadzic is now on trial in The Hague. The Serbian Government has declared ICTY cooperation, including the capture and transfer to The Hague of remaining war crimes fugitives, to be one of its top priorities. President Tadic has directed his National Security Council to make the hunt for fugitives its primary focus. While ICTY Chief Prosecutor Serge Brammertz reported in December 2009 that he was satisfied with the current level of Serbia's cooperation, he "insist[ed] that Serbia maintain these efforts in order to achieve additional positive results," and we support this position. Of particular importance, Belgrade must ensure that the two remaining ICTY fugitives, former Bosnian Serb General Ratko Mladic and former Croatian Serb leader Goran Hadzic, are apprehended and transferred to The Hague. Our expectations remain that Belgrade will continue to focus on cooperation with the ICTY and that the remaining indictees will be arrested and transferred to The Hague.

Question. Please assess Russia's relations with Serbia and Croatia. Is Russia a historical ally of Serbia or is their current partnership based on energy, investment, and common cause over Kosovo? What are Russia's intentions in its recent acquisition of and agreements with Serbian and Croatian energy companies? How might Croatia's 2010 signing of an agreement of intent to join Russia's South Stream pipeline project affect the Nabucco project and diversification of Europe's energy supply?

Answer. Russia can claim historical ties and ongoing bilateral cooperation with both Serbia and Croatia. We support healthy, balanced relationships with Russia for Serbia and Croatia, along with good ties to other European neighbors. Serbia and Russia have active economic relations which have faltered somewhat due to the global economic crisis. Russia is Serbia's second largest trading partner (after Germany), and has agreed to provide Serbia an approximately \$200 million loan for budget support. The most significant area of defense cooperation between Serbia and Russia is maintenance and training for the Soviet-era planes and other military equipment that Serbia still uses. The respective Ministries of Defense maintain a regular dialogue, and Serbia periodically sends students to Russian military academies. Russia has conducted several high-profile de-mining operations to remove unexploded ordnance (UXO) dating from the Kosovo conflict. During President Medvedev's October 2009 visit to Belgrade, the Serbian Ministry of Interior and the Russian Ministry of Emergency Situations agreed to establish a regional humanitarian crisis response center in Nis, Serbia that would involve other Balkan countries and be dedicated primarily to fighting forest fires.

Energy issues are a major focus of Zagreb's engagement with Moscow. Russia remains a major supplier of Croatian gas imports, and Croatia and Russia are currently in discussions on an extension of gas supply contracts. Russian exports of gas

are likely to be a longstanding feature of Croatia's energy supplies, but the Croatian Government is well aware of the benefits of having diversity in energy sources, as reflected by their plans for an LNG terminal and the nearly complete gas interconnector with Hungary. With regard to South Stream, various countries have signed MOUs with Russia on this pipeline project. We do not oppose South Stream, but we do have some questions about its economic viability. We do believe that Nabucco will positively contribute to Europe's energy security.

Question. Please assess Turkey's foreign policy in the Western Balkans, especially toward Serbia, Bosnia and Herzegovina and Kosovo. Are ongoing Turkish initiatives in the region consistent with traditional Turkish foreign policy toward Europe, or more similar to Turkey's so-called neo-Ottomanism in the Near East and elsewhere? How has Turkey facilitated rapprochement between Bosnia and Serbia? How does Turkey's involvement in the region affect its EU membership aspirations?

Answer. Turkey is a strategic partner and NATO ally of the United States. The Government of Turkey's foreign policy of "zero problems" with neighbors has served to complement our efforts in many areas, namely Afghanistan and Iraq as well as the Balkans.

As part of its efforts to enhance regional cooperation, increase trade, and advocate the region's Euro-Atlantic integration, Turkey is focused on the Balkans and, in particular, Bosnia-Herzegovina. Turkey strongly advocated in favor of NATO's decision to grant Bosnia entry into the Membership Action Plan at the April NATO Informal Foreign Ministerial in Estonia. In addition, Turkey helped establish trilateral mechanisms with Serbia and Bosnia as well as with Croatia and Bosnia to further regional cooperation, with regular meetings held since October 2009. The Turkey-Bosnia-Serbia trilateral process helped facilitate the normalization of relations and exchange of Ambassadors between Bosnia and Serbia. Turkey's chairmanship of the South-East European Cooperation Process (SEECP) until June 2010 is another example of Turkey's constructive role in the region. Turkey has also recognized Kosovo.

RESPONSES OF HON. ALEXANDER VERSHBOW, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, TO QUESTIONS SUBMITTED BY SENATOR JOHN KERRY

Question. In your testimony, you stated that two primary obstacles presently preventing Bosnia and Herzegovina from entry into a NATO Membership Action Plan (MAP) are continued disagreement among Bosnia's leaders on the dispensation of defense property and disposal of the country's unstable munitions and light weapons stockpiles. In your prepared remarks, you wrote that "[t]here are indications that a solution...may finally be at hand" to the issue of the un-disposed armaments. The Peace Implementation Council also has stated repeatedly that a decision by Bosnia's government on defense property is one of the objectives that must be fulfilled before the closure of the Office of the High Representative (OHR).

Other important issues that have affected Bosnia's progress toward NATO are the decision-making process on national security issues of the country's tripartite presidency and related reforms to the country's council of ministers. Broader reforms to Bosnia's state institutions have also been raised in the context of NATO integration. A prospective country's ability to contribute to NATO missions and exercises remains a significant metric the alliance uses when considering a MAP.

What led to the prioritization of resolving defense property and the un-disposed munitions when formulating the requirements of a MAP for Bosnia? Does the U.S. consider reforms to Bosnia's government and its contributions to NATO missions to fall outside the consideration of granting a MAP?

Is the "5+2" conditionality for the closure of OHR insufficient to incentivize Bosnia's leaders to agree on defense property? Is the apparent addition of the prospect of a MAP to incentivize a resolution on defense property a recognition that the international community's conditionality has opposite effects among the leaders of Bosnia's constituent peoples?

Answer. The Department of Defense concurs fully with the answer provided to this question by the Department of State (*See above*).

The remark that a "solution may finally be at hand" referred to the anticipated Bosnian Tri-Presidency decision on the disposal of movable property (surplus weapons and ammunition). That decision, issued on the evening of April 14, approved the destruction of all of Bosnia's surplus light weapons, high risk ammunition, mines and explosives.

Question. Why did the recent U.S.- and EU-led negotiations at Camp Butmir on government reform and the closure of OHR come to a standstill? Every major Bosnian politician rejected the first U.S. package, which reportedly was offered on a “take-it-or-leave-it basis.” Later negotiations would also see the rejection of a second, negotiable, U.S. and EU package—why? Did the U.S. attempt to accomplish too much on the issue of reforming Bosnia’s government instead of focusing on fulfillment of the objectives and conditions for OHR’s closure?

Answer. The Department of Defense concurs fully with the answer provided to this question by the Department of State (*See above*).

Question. In your testimony, you stated that Serbia eventually must “choose” between its EU aspirations and its opposition to Kosovo’s independence, and that its attempt “to do both is unsustainable.” However, Vice President Biden stated in May 2009 that the U.S. and Serbia “can agree to disagree” on the issue of Kosovo and that the U.S. “will use our influence, our energy and our resources to promote Serbia’s Euro-Atlantic aspirations.” How do you reconcile your statements with the Vice President’s remarks? Do your remarks represent the position of the Department of Defense? Do they signal a departure from current U.S. policy?

Answer. My statement that Serbia cannot both “move toward the European future it says it desires” and “be mired in an obsession with the past” is neither a departure from current U.S. policy nor a contradiction of Vice President Biden’s statement. While the U.S. does not expect Serbia to recognize Kosovo independence, we want to see Serbian leadership cease its attempts to undermine stability in Kosovo and work with Pristina, the United States and the European Union to find pragmatic solutions that would improve the life of all Kosovo residents. This is essential to Serbia’s EU future - the EU stated in its Partnership Document with Serbia that one of its key priorities for engagement is that Serbia “cooperates constructively on matters relating to Kosovo.”

Question. In your testimony, you stated that “[f]ighting organized crime and corruption remain key challenges for Montenegro as it progresses on its Euro-Atlantic integration path.” The European Commission’s Enlargement Strategy and Main Challenges 2009–2010 found that “Montenegro will need to demonstrate concrete results regarding consolidation of the rule of law, particularly on judicial reform and the fight against corruption.” In December 2009, NATO offered Montenegro a MAP. What progress has Montenegro made in the fight against corruption and organized crime? How did such progress affect the alliance’s decision to offer Montenegro a MAP? Are you satisfied with Montenegro’s cooperation with the U.S., the EU, Serbia, Croatia and other countries in the fight against narcotics and organized crime? How would you characterize Montenegro’s participation in the search for Darko Saric, who was recently indicted by the Serbian Prosecutor’s Office for Organised Crime and whom some allege is hiding in Montenegro?

Answer. The Department of Defense concurs fully with the answer provided to this question by the Department of State (*See above*).

Question. The Maritime Analysis and Operations Centre (MAOC), based in Lisbon, Portugal, coordinates anti-narcotics efforts with several EU member states. The U.S. participates in MAOC through a joint interagency task force. What is MAOC’s relationship with Montenegro? Does Montenegro adequately patrol its maritime borders to protect against the inflow of narcotics?

Answer. The Department of Defense concurs fully with the answer provided to this question by the Department of State (*See above*).