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**Presidential Documents**

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Title 3—

Presidential Determination No. 2001-07 of December 19, 2000

The President

**Presidential Certification To Waive Application of Restrictions on Assistance to the Government of Serbia and the Government of Montenegro****Memorandum for the Secretary of Defense [and] the Secretary of the Treasury**

Pursuant to the authority vested in me by the laws of the United States, including section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160), I hereby certify to the Congress that I have determined that the waiver of the application of subsections 1511(b) and (c) of Public Law 103-160 is necessary to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties, to the extent that such provisions apply to the furnishing of assistance to the Government of Serbia and to the support of assistance from international financial institutions to the Government of Serbia and the Government of Montenegro.

Therefore, I hereby waive the application of these provisions with respect to such assistance and support.

The Secretary of Defense is authorized and directed to transmit a copy of this determination to the Congress and arrange for its publication in the **Federal Register**.



THE WHITE HOUSE,  
*Washington, December 19, 2000.*

**Memorandum of Justification for Presidential Certification Regarding the  
Waiver of Subsections 1511(b) and (c) of Public Law 103-160**

Section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) (hereinafter "section 1511") was enacted into law in 1993 in the midst of the crisis in Bosnia and Herzegovina as the international community sought to put an end to years of conflict. Section 1511 provides in relevant part that "[n]o funds appropriated or otherwise made available by law may be obligated or expended on behalf of the Government of Serbia" and that "[t]he Secretary of the Treasury shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose any assistance from that institution to the Government of Serbia or the Government of Montenegro, except for basic human needs." These restrictions may be waived or modified, however, upon certification by the President that the waiver or modification "is necessary . . . to meet emergency humanitarian needs, or . . . to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties." This authority was exercised in February 1999 by the President to waive bilateral assistance restrictions with respect to the Government of Montenegro.

In light of the recent dramatic democratic transformation that has taken place in Serbia, we believe that it is important to exempt the Government of Serbia from the bilateral and multilateral assistance restrictions contained in section 1511 and the government of Montenegro from the provision's multilateral restrictions. Bilateral assistance from the United States and support for assistance in the International Financial Institutions (IFIs) are both critical to the consolidation of the fledgling Kostunica government. The United States must put itself in a position to voice its support of loans to the Governments of Serbia and Montenegro in the context of the FRY becoming a member in the IFIs. The first such provision of assistance—a loan of roughly \$150 million under the IMF's post-conflict assistance policy to help the FRY clear its arrears at the IMF—will be voted upon as soon as December 20 together with a vote on FRY membership in that organization.

The election of Mr. Kostunica to the FRY Presidency could herald a new period of peaceful democratic development in the region. President Kostunica has made clear that he will work toward the full implementation of the Dayton Accords and work constructively on a variety of other issues related to the stability of the region. United States bilateral assistance as well as support for IFI assistance will help ensure the consolidation of power made by the Kostunica government. Such assistance will help prevent pro-Milosevic forces from regaining power in the FRY and resuming their obstructionist tactics and allow President Kostunica to continue to work towards peace and stability in the region. Therefore, waiver of application of the restrictions contained in subsections 1511(b) and (c) of Public Law 103-160, with respect to the Governments of Serbia and Montenegro, is warranted.