Testimony of Daniel Fried Assistant Secretary of State for European and Eurasian Affairs March 4, 2008

Senate Committee on Foreign Relations "Kosovo: the Balkans' Moment of Truth?"

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

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

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

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

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

remind the Serbian authorities of their responsibilities to provide for the security of embassies under the Vienna Convention.

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

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

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

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

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

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

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

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

After 79 days of bombing, Milosevic capitulated. In June 1999, the UN Security Council adopted Resolution 1244, which suspended Belgrade's governance of Kosovo and placed Kosovo under interim UN administration. In that same resolution, the Security Council authorized a NATO-led peacekeeping force to provide for a safe and secure environment. From that time forward, Kosovo was administered by the United Nations under UNSCR 1244. The resolution also provided for local self-government and envisioned a political process that would determine Kosovo's future. That process has now resulted in Kosovo's independence.

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

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

The resolution also placed Kosovo, for a limited time, under international administration. After the war, Kosovo made progress under U.N. tutelage. Those whom Milosevic had expelled returned quickly to Kosovo. The UN helped the people of Kosovo build local governments, a Kosovo Assembly

and a multi-ethnic police force. Bitterness and fear still pervaded much of Kosovo, but progress was made.

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

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

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

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

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

In one last-ditch effort to explore every conceivable basis for a negotiated settlement, we then participated directly in an additional four months of negotiations under the auspices of a Troika composed of the United States, the EU and Russia, a proposal made by French President Nicholas Sarkozy. This Troika – with Ambassador Frank Wisner as the U.S. representative --

explored all imaginable status outcomes — including confederation, independence, and substantial autonomy — but no agreement between the parties was found.

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

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

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

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

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

The decision to recognize Kosovo's independence was not taken lightly. But it was the only responsible decision to take. The reality was clear: Kosovo was never going to be ruled by Serbia again. The status quo in Kosovo was unsustainable and undesirable. Although UNMIK, the interim UN mission in Kosovo, had done much to help Kosovo recover from war and build democratic institutions, the UN administration was never meant to be a permanent or even long-term solution for Kosovo. While in the limbo

of UN administration, Kosovo has been unable to access loans from international financial institutions, or attract much-needed foreign direct investments. Uncertainty deters investors and businessmen. UN rule retarded development of responsible Kosovo institutions. If left unaddressed, Kosovo would have turned into an incubator for frustrations, extremism and instability, which would then threaten to infect all of southeast Europe.

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

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

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

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

With its explicit consent, Kosovo will be "supervised" for a period ahead by an International Civilian Office (ICO). This will primarily be a European undertaking, but with strong U.S. participation. In late February, a newly formed International Steering Group for Kosovo appointed Pieter Feith to be the International Civilian Representative for Kosovo to head the ICO. In

this capacity, Mr. Feith will possess certain executive powers to ensure the Ahtisaari Plan is fully implemented.

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

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

The EU will deploy a rule of law mission, called "EULEX", to Kosovo, with around 1,900 international staff and around 1,100 local staff. This multi-year mission will be the largest such endeavor the EU has ever undertaken. Its mission will include support and training for the Kosovo police and judicial system. The Administration has made a political commitment to participate in this European Security and Defense Policy mission. The EU will bear the brunt of the 190 million euro annual operating cost of the mission as well as additional personnel costs.

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

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

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

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

We anticipate that EU and its member states will provide roughly 50 percent of the assistance that Kosovo needs over the first three to four years.

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

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

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

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

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

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

Let me discuss Russia's role in this matter. Russia's opposition to Kosovo's independence under the Ahtisaari plan is public knowledge. Much less well known is that Russia was part of the contact group and was intimately

involved in the Ahtisaari process, including the plan to provide protection for the Serbs in Kosovo and for their cultural sites. Russia's contribution was valuable, and we regret that Russia was unable to support a compromise resolution at the UN Security Council last summer.

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

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

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

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

not support or tolerate radical calls to abolish the Dayton arrangements or the integrity of Bosnia-Herzegovina. We are prepared to work cooperatively with the leaders of the Bosniak-Croat Federation and Republika Srpska on this basis, and have made that clear.

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

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

Thank you for your attention, and I now look forward to your questions.