

Testimony by Acting Deputy Assistant Secretary Jonathan Moore
House Foreign Affairs Committee, Subcommittee on Europe, Eurasia and Emerging
Threats
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Chairman Rohrabacher, Members of the Subcommittee, I am honored to appear before you today to discuss Kosovo and Serbia. On behalf of the State Department, please allow me to thank you and the Subcommittee for your interest in these countries, and the broader Balkan region, where the United States continues to make investments of both personnel and resources to ensure that the conflicts of the 1990s are not repeated.

As you are likely aware, the Governments of Kosovo and Serbia concluded an agreement last week in the context of the European Union-facilitated Dialogue on principles for the normalization of their relations. This is a major development that has come after years of sustained engagement by the United States and our European partners, and is a product of our closely coordinated policy in the region.

I would like to begin with an overview of our current policy in the Balkans, provide an assessment of the Dialogue, and finally review the progress Kosovo and Serbia have made – and the challenges that remain – as they advance toward European integration.

The western Balkans is a critical and inseparable part of Europe – historically, geographically, and culturally. It is impossible to speak of a Europe that is whole, free, democratic, and at peace without having completed the unfinished business of integrating this region into the greater European and Euro-Atlantic family. This has been the clear policy goal of Administrations, both Democratic and Republican, for over twenty years. Even today, these prospects provide the strongest motivation and incentives for the hard but necessary democratic, economic, and security reforms that are necessary to cement a prosperous future. The history lessons remain salient: as we have seen elsewhere in Europe, integration has been and remains the best means of fostering long-term peace, stability, investment, and prosperity. The unprecedented joint visit of then-Secretary of State Clinton and European Union High Representative Catherine Ashton to Bosnia, Kosovo, and Serbia in October 2012 was a clear demonstration that we and our European Union partners stand united in our goal of ensuring a stable, prosperous and peaceful Balkan region.

The Obama Administration believes that it is essential to regional stability for Serbia and Kosovo find a durable solution to their differences through dialogue. As former Assistant Secretary of State Philip Gordon said in Belgrade in July 2012, “Serbia and Kosovo need to deal with the fundamental political issues that divide them. That would facilitate Serbia’s path to the EU. That would bring more stability and peace in the region. That would help the everyday lives of the people. That would spur investment in Serbia and in Kosovo. And that sort of normalization is what we seek, and it can be done in a way that is consistent with Serbia’s legitimate interest of protecting the rights of Serbian citizens and ethnic Serbs throughout Kosovo, including in the north.” And indeed it is through forward-looking Dialogue that both sides agreed April 19 on principles for the normalization of their relations.

Last week’s agreement is a significant step. It builds on the progress the parties have made over the last two years that have brought the goal of normalization within reach. After raising the talks to the highest political level last October, European Union High Representative Ashton facilitated ten face-to-face meetings between the two Prime Ministers. Together, they reached important understandings for the region: liaison officers are to be posted in respective capitals, freedom of movement ensured, diplomas respected, land and civil registry records completed, and regional cooperation fostered. Implementation of many of these agreements is quite advanced. The parties’ April 19 agreement on principles governing the normalization of relations includes a durable solution for northern Kosovo within Kosovo’s legal and institutional framework, with substantial local self-governance under Kosovo law. The agreement covers the creation of an “Association” or “Community” of Serb-majority municipalities in Kosovo that may exercise municipal competencies collectively and will have a role in representing the Serb community to the central authorities. On April 22, High Representative Ashton and EU Enlargement Commissioner Fuele welcomed the agreement and recommended to Member States that negotiations be opened with Serbia on EU accession, and with Kosovo on a Stabilization and Association agreement with the EU and participation in EU programs. We welcome these recommendations, which the European Council will consider at its June session.

We joined High Representative Ashton in praising the engagement of both Prime Minister Dacic and Prime Minister Thaci. As Secretary Kerry said, “This agreement on

principles for normalization of relations required compromise and political courage from both sides, and [we] applaud the governments of Kosovo and Serbia for making the hard decisions that will move them closer to their goals of European integration.”

It is important to note that the Dialogue is tied to both countries’ EU prospects, and has been an EU-led process. We sent our Deputy Assistant Secretary, Ambassador Philip Reeker, to the margins of the talks in Brussels to support both the parties and the EU. We have engaged consistently with both countries’ political and social leaders and at the highest levels in Washington, Brussels, Belgrade and Pristina in support of the EU’s efforts. This effort included meetings of Vice President Biden with President Nikolic and Prime Minister Thaci in Rome in March to underscore the importance of reaching an agreement.

Ultimately, it is up to the parties to take this opportunity and achieve the success that will benefit the lives of current generations of their people and those to come. Now, the very challenging work of implementation begins. We are encouraging Kosovo and Serbia now to implement expeditiously and fully all Dialogue agreements reached to date, so that all of those living in Kosovo and Serbia can build a more peaceful and prosperous future. Their progress will be gauged by the European Council, when it meets in June to take decisions on the next steps in their EU paths. We have seen and can continue to expect hardliners and criminal elements in northern Kosovo to resist, despite Belgrade’s commitments in the April 19 agreement. These elements have benefited for over a decade from the conditions that disadvantage the people in northern Kosovo, keeping the situation there on edge, intimidating the population, and perpetuating weak rule of law.

Dismantling the parallel political and security structures in northern Kosovo, as required by the agreement, will be a major challenge. Municipal elections in the north this year – with OSCE facilitation, as agreed – should usher in a new era of accountable, decentralized, and effective governance for the citizens of these municipalities. Serbia must demonstrate the willingness and ability to use its influence to isolate those who are dedicated to preventing implementation of arrangements that change the status quo. For its part, Kosovo must demonstrate the commitment and ability to protect and preserve the lives and livelihoods of the Kosovo Serb population, in the north and throughout the country, and to guarantee the rights Kosovo and international law afford them, including the far-reaching self-governance to which they are entitled under the Kosovo constitution. This is the path Kosovo’s leaders must take to

consolidate institutions and rule of law throughout the country. Of course, the unreserved and active cooperation by both Kosovo and Serbia with the international community and its missions on the ground, NATO's Kosovo Force (KFOR) and European Union Rule of Law Mission (EULEX), remain essential for success. The U.S. will support both parties and its partners on the ground in their implementation efforts.

This agreement highlights the fact that reconciliation, not partition or land swaps, is the goal of both Serbia and Kosovo. This Administration, like the Bush Administration that recognized Kosovo's independence in 2008, has made clear repeatedly its commitment to a democratic, sovereign, independent and multi-ethnic Kosovo within its current borders. Then-Assistant Secretary of State for European and Eurasian Affairs Philip Gordon reiterated this before this Subcommittee in November 2011: "There is no way for borders in this region to be re-drawn along ethnically clean lines. As such, partition and land swaps are unacceptable solutions. If any such process is set in motion, there is no way that it can be confined to a single boundary line or that it can end peacefully. Any rhetoric calling for the partition of Kosovo and questioning the ability of people of different ethnicities to live together is harmful to regional reconciliation and contrary to the international community's decade-long effort to move the region beyond the brutal conflicts of the 1990s."

Kosovo is, in fact, a strong example of why former Assistant Secretary Gordon's words are prescient. Some posit partition as a means to resolve differences between Kosovo and Serbia; some propose that Serbia take northern Kosovo, inhabited primarily by Serbs, and Kosovo can have southern Serbia, which has a large Albanian population. However, the majority of ethnic Serbs in Kosovo live in the south. Partition would isolate them as they continue to work to build livelihoods and strong communities. Holy sites of the Serbian Orthodox Church are in the south, including in Pec/Peja, and the monastery in Decani, that houses the remains of St. Stephen Decanski. As I just heard again during a visit to Kosovo last week, the Serbian Orthodox Church opposes partition or land swaps. And what about the non-Albanian population of southern Serbia? Others might take partition as a signal that the international community has reversed its long-held position against re-opening borders. Minority groups throughout the region would be emboldened to advocate for solutions that are inherently nationalistic and intolerant.

The solution for northern Kosovo Serbs, and the Kosovo Serb community as a whole, lies on the path the U.S. and EU have supported throughout the region: the building of strong multiethnic, democratic institutions that are committed and able to uphold the civil, constitutional, and human rights of all citizens. The way to address the fears of northern Kosovo Serbs is not by absolving the Government of Kosovo of the requirement to protect minority rights by redrawing Kosovo's borders, but rather through sustained international community engagement on the ground, as well as by holding Kosovo's authorities to the commitments that they made at independence and that they enshrined in their constitution and laws.

It will remain true that the United States opposes reopening borders in the Balkans. But the Government of Kosovo does not support partition of northern Kosovo either. This policy is not based on American say-so, but rather on Kosovo's full understanding of its commitment to build a prospering European state in which all of its citizens enjoy the full rights and services to which they are entitled. This is the right and responsible path, for all who live in Kosovo, and it is the path Kosovo's democratically-elected representatives have chosen. It is also the path both Kosovo and Serbia have committed to in the agreements reached in the Dialogue.

While the Dialogue remains central to both countries' development, it is worth also noting the progress they have made apart from the Dialogue. Kosovo's trajectory and progress have been remarkable since independence. In a September 2012 statement, President Obama commended Kosovo's successes, observing that "with the optimism, energy and determination characteristic of its people, Kosovo has made significant progress in solidifying the gains of independence and in building the institutions of a modern, multi-ethnic, inclusive and democratic state." We are proud to have been one of its key partners in promoting these advances.

To that end, we will continue to support and encourage Kosovo's reform work, just as we back its regional, Euro-Atlantic, and global political and economic integration. Nearly 100 countries, including most European Union (EU) members, share our position that Kosovo is a fully independent, sovereign state. More countries will take note of the agreement on normalizing relations and recognize Kosovo over time. In the interest of fostering stability and integration in the Balkans, we will continue to work with the Government of Kosovo and our international partners to secure further recognitions and see Kosovo join the international organizations that not only aid its continued development – like the European Bank for Reconstruction and Development (EBRD) which it joined last December – but also allow

Kosovo and its citizens to fully contribute on the international stage. As former Assistant Secretary Gordon said before the Atlantic Council late last year, “Kosovo’s serious engagement with Serbia and active reform efforts demonstrate its desire to be a constructive partner with a clear European perspective.”

In just the last year, Kosovo has reached several significant additional milestones on the path toward achieving our shared Euro-Atlantic, regional and international economic, social and political objectives. In September 2012, the 25-member International Steering Group (ISG) determined that Kosovo had met the conditions for declaring the end of supervised independence. In reaching this point, the ISG determined that Kosovo has adopted the necessary constitutional and legislative amendments to ensure that key principles of the Comprehensive Status Proposal were enshrined and protected in Kosovo law.

In October 2012, the European Union determined that there were no legal barriers to concluding a Stabilization and Association Agreement (SAA) with Kosovo, which is an important step on the path to membership in the European Union. The EU laid out several short-term priorities Kosovo must fulfill to move forward on its integration path and start negotiations on an SAA, particularly in the area of rule of law and protection of religious and cultural heritage. In the European Commission’s April 19 report to Member States, EU Commissioner for Enlargement Stefan Fuele affirmed that Kosovo had met these priorities. These included forming the Implementation and Monitoring Council (IMC), an entity designed to enable direct government consultation with religious communities, including the Serbian Orthodox Church, on the promotion and protection of religious and cultural heritage. We also welcomed the opening of a visa liberalization dialogue between the EU and Kosovo last year, a process designed to lead to visa-free travel within the EU for Kosovo citizens, who are the only ones in the Western Balkans without this privilege. Their government is working to fulfill these conditions, as well.

Kosovo also has made tremendous economic and fiscal advancements. Although unemployment remains very high, even for the region, and foreign direct investment is low, Kosovo’s growth rate has continued to be positive and was the highest in the region at over three percent per year in 2012. To aid the growth, the government is actively engaged in making it easier to do business and invest in Kosovo. Those efforts were recognized in the most recent World Bank/IFC Doing Business 2013 report, in which Kosovo made impressive gains in improving its business environment, jumping to 98th on the list from the 126th position last year.

We have been partners in this effort, assisting the Government of Kosovo to remove obstacles and to streamline business regulatory practices to make it easier for entrepreneurs to be successful in the marketplace. Further, as a result of confidence in Kosovo's increased fiscal stability and budgetary discipline the IMF re-launched a Stand-by Arrangement with Kosovo in 2012, and this program remains on track. Further, the EBRD is preparing its first strategy for work with Kosovo as a full member, and will focus on the energy sector, municipal infrastructure, and private enterprise.

An economy cannot advance without a firm legal foundation, however. We commend Kosovo's advancements in rule of law, an area on which we place significant emphasis in our bilateral relationship, and one to which we devote commensurate resources. In January, newly revised, modern criminal and criminal procedure codes took effect; these new statutes should ultimately yield a legal system that respects due process, protects victims' rights, and is in line with European standards, which are all necessities for Kosovo to advance toward the EU. Kosovo is also in the process of streamlining its judicial system to create one that is not just more efficient, but is more accessible to the average citizen. These advancements are essential not only because they will preserve the human rights of its citizens, but also because a well-functioning and transparent legal system is at the root of a productive, modern, market-driven economy.

I would also like to speak about Serbia, the largest country in the western Balkans. Serbia. Serbia has made great strides in strengthening its democratic institutions and practices, has come to understand the essential nature of a role for itself in 21st century Europe, and has the potential to become an anchor of trade and stability in the region. An emerging generation of politicians in Serbia understands the need to take pragmatic steps and move the country forward. The United States enjoys a broad bilateral relationship with Serbia and its people. We have long supported Serbia's EU integration, and we are working very closely with our European partners and the Government of Serbia to help realize that goal. Our programs, assistance, and activities in Serbia are all aimed at furthering the development of a more prosperous country that is in harmony with European standards and values. Serbia was formally granted EU candidate status in March 2012. Serbia's further EU prospects depend heavily on normalization of its relationship with Kosovo, as called for by the European Council in December 2012.

The agreement reached with Kosovo under EU facilitation on April 19, coupled with irreversible steps on implementation, places Serbia in a strong position to receive a date in June to open EU accession negotiations. Although much work remains to be done, Serbia has made progress on domestic reforms, particularly in the fields of rule of law, the rights of minorities, and economic reform. Serbia facilitated the arrest of the last two fugitives from the International Criminal Tribunal for the Former Yugoslavia (ICTY) in 2011, and it has embarked on a difficult process of reforming its judiciary and criminal procedure code. The Government of Serbia has engaged in an ambitious anti-corruption campaign that has met with widespread popular support. The government established a Coordinating Body for South Serbia to help address the concerns of ethnic Albanians in the Presevo Valley. None of these initiatives has been without their detractors, but they represent the government's clear desire to implement European standards and to integrate into the EU.

Despite the progress Kosovo and Serbia have made, and our successful bilateral relations with both countries, many challenges remain. Kosovo must continue the hard work of building a cohesive state and strengthening its multi-ethnic, democratic institutions. The United States has been clear that a vital part of this process includes ensuring respect for the rights of all of Kosovo's communities – including Kosovo Serbs and other minorities – and the preservation of their cultural and religious heritage, and full protections for returnee and displaced populations. This is another area where normalizing relations, and thereby improving coordination, between Kosovo and Serbia would have a direct and positive impact on the daily lives of people in the region. We continue to work with Kosovo authorities, at the national and municipal levels, to strengthen economic opportunities and create welcoming communities for displaced citizens wishing to return to their homes. The Kosovo Government must ensure it is upholding its commitment to support municipal efforts to integrate returning citizens into local society and create a sustainable returns process. Other pressing priorities for the government include tackling unemployment, supporting energy sector reform, fighting crime and corruption, breaking down barriers to business and investment, and strengthening public administration and the judiciary. Like other post-socialist societies, Kosovo is struggling to embrace private sector-led growth, decentralize decision-making authority, and wean its people off the patronage of a strong central government.

KFOR remains a relevant and crucial presence in Kosovo, helping to maintain, pursuant to its mandate, a safe and secure environment throughout the country. The United States currently contributes approximately 15 percent of the more than 5,000 troops in country. We have nearly 800 troops in theater, with the core contingent being currently from the South Carolina National Guard. We are proud of the contributions our military has made in Kosovo since KFOR's inception in 1999 when it numbered over 50,000 troops. The security situation has been particularly challenging in northern Kosovo, and tensions there remain high: hardline elements and criminals want to maintain their control, thereby holding back progress for the local population. These elements have not shied away from violence: in the last year, EULEX and KFOR have reported an increased number of attacks on local citizens who engage with Kosovo institutions. There have also been attacks on international personnel, resulting in injuries to KFOR troops. We fully support the efforts of KFOR and EULEX to contribute to a safe and secure environment and the free movement of both goods and people within and throughout Kosovo, as well as over the Kosovo-Serbia border. Given the current security environment, we agree with other Allies that KFOR will continue to play a critical role in Kosovo for the foreseeable future. In keeping with our commitments to NATO, the United States should maintain troop levels in KFOR consistent with NATO's deterrent presence requirements.

For its part, Serbia must remain focused on real and sustainable domestic reforms. Criminal justice reform will take years to implement, and the government must continue to have the will to allocate the resources necessary to accomplish it. The government must ensure that its anti-corruption campaign remains transparent and shows results, and that it will be part of a larger effort to improve business conditions in the country. The government must also ensure that it has the willingness to protect the rights of all minorities.

Certainly, implementation of the agreement between Kosovo and Serbia will be difficult, and will require sustained EU and U.S. support, not to mention the involvement of other international organizations. However, this agreement is a major signal that both governments are committed to putting the past behind them, moving forward with their European aspirations, and building a more peaceful and prosperous future as neighbors. Mr. Chairman, we remain committed to helping them realize these goals, and appreciate your interest and support in doing so.