

# CRS Report for Congress

Received through the CRS Web

## Islamic Terrorism and the Balkans

**Updated October 4, 2006**

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# Islamic Terrorism and the Balkans

## Summary

In the 1990s, wars and political instability provided an opportunity for Al Qaeda and other terrorist groups to infiltrate the Balkans. However, U.S. and European peacekeeping troops, aid, and the prospect of Euro-Atlantic integration have helped to bring more stability to the region in recent years. Moreover, the September 11, 2001 attacks on the United States underscored for the countries of the region the dangers of global terrorism, and resulted in increased U.S. attention and aid to fight the terrorist threat. In part as a result, many experts currently do not view the Balkans as a key region harboring or funding terrorists, in contrast to the Middle East, South Asia, Southeast Asia, and Western Europe. However, experts note that the region may play a secondary role in terrorist plans, as a transit point for terrorists, as well as for recuperation. Moreover, they agree that the region's continuing problems continue to leave it vulnerable to terrorist groups in the future.

U.S. officials have cited the threat of terrorism in the Balkans as an important reason for the need for continued U.S. engagement in the region. In addition to the need to take steps to directly combat terrorist infrastructure in the region, U.S. officials say that U.S. efforts to bring stability to the region also help to fight terrorism. They note that political instability, weak political and law enforcement institutions and poverty provide a breeding ground for terrorist groups. U.S. objectives are also outlined in the 9/11 Commission Report and the President's National Strategy for Combating Terrorism, which calls for the United States to work with other countries to deny terrorists sponsorship, support and sanctuary, as well as working to diminish the underlying conditions that terrorists seek to exploit.

The United States has a variety of instruments to fight terrorism in the Balkans. One is the direct involvement of U.S. troops in Bosnia and Kosovo. The United States provides bilateral counterterrorism assistance to the countries of the region. The overall U.S. aid program to the region, aimed at bringing stability through strengthening the rule of law and promoting economic reform, also serves to combat the sometimes lawless climate in which terrorists can thrive. U.S. aid helps to develop Bosnia's export control regime, including over weapons of mass destruction and dual-use technology. The United States has encouraged regional cooperation on terrorism and international crime through the Southeast European Cooperation Initiative (SECI). In the longer term, efforts to stabilize the region, and thereby perhaps reduce its attractiveness to terrorists, are also dependent upon integrating it into Euro-Atlantic institutions.

For more information on terrorism, see CRS Report RL33600, *International Terrorism: Threat, Policy, and Response*, by Raphael Perl; CRS Report RL32522, *U.S. Anti-Terror Strategy and the 9/11 Commission Report*, by Raphael Perl; CRS Report RL32518, *Removing Terrorist Sanctuaries: The 9/11 Commission Recommendations and U.S. Policy*, Francis T. Miko, coordinator; and CRS Report RL33038, *Al Qaeda: Profile and Threat Assessment*, by Kenneth Katzman.

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# Islamic Terrorism and the Balkans

## Introduction

In the 1990s, wars and political instability provided an opportunity for Al Qaeda and other terrorist groups to infiltrate the Balkans. However, U.S. and European peacekeeping troops, aid, and the prospect of Euro-Atlantic integration have helped to bring more stability to the region in recent years. Moreover, the September 11, 2001 attacks on the United States underscored for the countries of the region the dangers of global terrorism, and resulted in increased U.S. attention and aid to fight the terrorist threat. In addition, some countries outside of the region, especially Saudi Arabia, which were formerly key sources of terrorists and terrorist financing, have cracked down on Islamic militants, which has in turn had a positive impact on the Balkans. As a result of these factors, many experts currently do not view the Balkans as a key region harboring or funding terrorists, at least when compared to the Middle East, North Africa, South Asia, Southeast Asia, and Western Europe.

Nevertheless, experts caution that the region may continue to play a role in terrorist plans, largely as a transit point for terrorists, as well as for rest and recuperation. There have also been efforts to recruit people from the region into terrorist groups. Moreover, observers agree that the region's continuing problems leave it vulnerable to terrorist groups in the future. The July 2004 report of the National Commission on Terrorist Attacks Upon the United States (known as the 9/11 Commission) referred to Central and Eastern Europe as a region potentially vulnerable to terrorists, due to significant Muslim populations and weak border controls and security services.<sup>1</sup> This problem may increase if terrorists currently concentrated in Iraq disperse to the Balkans and other regions. Some sources, especially Serbian and Russian experts and officials, have claimed that the Balkans continue to form a more dangerous threat to the United States and neighboring Western Europe than is usually acknowledged.<sup>2</sup>

Although large numbers of indigenous Muslims live in the Balkans, due to its poverty and instability the region has not attracted large numbers of Muslim immigrants, who have been an important source of recruits for Islamic extremists in Western Europe. Moreover, opposition to terrorism has been strong among Bosniaks (Bosnian Muslims) and Albanians, the largest indigenous Muslim groups in the Balkans. These groups are generally more secular in outlook than Muslims elsewhere. Most view themselves as part of Europe and are grateful for the perceived

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<sup>1</sup> 9/11 Commission Report, p. 366-367. For a text of the report, see [<http://www.9-11commission.gov/report/index.htm>].

<sup>2</sup> Discussions with U.S. and European officials.

U.S. role in defending them against Serbian aggression in the 1990s, and for the continuing U.S. contribution to the security of their countries.

Charges of terrorism are often used as political weapons among countries or ethnic groups to try to attract international support for their cause. For example, Serbian and Bosnian Serb politicians often make charges of Al Qaeda training camps in Bosnia and Kosovo in an effort to discredit Bosniaks and Albanians. For their part, Bosniak and Albanian leaders deny the charges and accuse the Serbs of supporting “terrorism” by harboring indicted war criminals. Some observers say that the terrorist threat is in fact much less serious than the region’s more pressing problems, such as corruption, poverty, and potential political instability. They say that the international focus on the terrorist threat may divert attention from these more relevant issues.

On the other hand, this rivalry between groups and the international focus on terrorism may have some positive aspects. It may push countries in the Balkans to cooperate zealously with the United States on terrorism issues, in hopes of securing U.S. support for their regional goals and Euro-Atlantic integration. In addition, there may be additional political support in the United States and other countries for dealing with the region’s problems if they are viewed as a potential source of terrorism.

Given these factors, perhaps of greater concern to most experts than the existence of a significant Muslim population in the Balkans is the weakness of government institutions, rampant corruption and poverty. However, despite these difficulties, the countries in the region have provided very good cooperation with the United States in the Global War on Terrorism, according to U.S. officials.<sup>3</sup> Consistent with U.N. Security Council resolutions adopted in the post-9/11 fight against terrorism, these countries have worked with the United States and other countries to arrest or expel terrorist suspects, shut down non-governmental organizations linked with terrorism, and freeze or seize assets of persons and groups suspected of terrorist financing.

This report focuses on two countries and a province with plurality or majority Muslim populations: Bosnia and Herzegovina, Albania, and Kosovo. It deals with the role of international Islamic terrorist groups such as Al Qaeda rather than indigenous nationalist groups pursuing local or regional objectives.

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<sup>3</sup> For background on counterterrorism efforts in Europe in the aftermath of 9/11, see CRS Report RL31612, *European Counterterrorist Efforts: Political Will and Diverse Responses in the First Year After September 11*, coordinated by Paul Gallis, October 11, 2002, and CRS Report RS22030, *U.S.-EU Cooperation Against Terrorism*, by Kristin Archick.

## Bosnia and Herzegovina

After the breakup of Communist Yugoslavia, Bosnia and Herzegovina was torn apart by a civil war between Bosniaks (Bosnian Muslims), Serbs, and Croats from 1992 to 1995. The war resulted in the deaths of many thousands of persons and the displacement and impoverishment of large parts of the population. A desperate Bosniak-dominated Bosnian government, facing an international arms embargo and outgunned by breakaway Bosnian Serb forces, accepted the help of Iran, as well as several thousand Islamic radicals, mercenaries, and others. The 1995 Dayton Peace Accords, which ended the conflict, required all foreign forces to leave Bosnia.

Most did, but some Islamic radicals remained behind. It is estimated that about 700 to 1,000 former fighters stayed behind in Bosnia after the war and became Bosnian citizens by marrying Bosnian women. Others received citizenship through bribing Bosnian officials. Some Al Qaeda operatives in Bosnia had connections to members of Bosnia's intelligence service, another legacy of Bosniak wartime cooperation with Islamic militants. The experience of the Bosnia conflict has also had an impact on terrorist groups worldwide. Bin Laden and other Al Qaeda figures mention the Bosnian war as a place where Al Qaeda was active, and as an important militant Islamic cause. Terrorist recruiting videos often include footage of combat in Bosnia.

In addition to fighters, Bosniaks also received assistance during and after the war from Islamic charities and humanitarian organizations, many of them from Saudi Arabia. Some of these groups served as fronts for Al Qaeda, which used them for planning attacks in Bosnia and elsewhere. In the view of some observers, Saudi Arabian-built mosques at which some extremist foreign and Bosnian clerics continue to preach hatred of the United States and Western countries may enhance terrorist recruiting efforts.<sup>4</sup> According to U.S. officials, the U.S. embassy in Sarajevo and U.S. military bases in Bosnia were subject to several terrorist threats after September 11, 2001.

Although the terrorist threat in Bosnia appears to have declined in recent years, some observers have asserted that Bosnia poses a more significant terrorist risk than often reported. For example, one press report quotes unnamed European intelligence officials as saying approximately 750 former Islamic foreign fighters in Bosnia provide a "one-stop shop close to Europe" for guns, money, and documents to terrorists passing through the region. Although presenting the threat in less dire terms, U.S. officials acknowledge that the Balkans may serve as a transit point or recuperation area for terrorists.<sup>5</sup>

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<sup>4</sup> Stephen Schwartz, "The Failure of Europe in Bosnia," *The Weekly Standard*, June 20, 2005.

<sup>5</sup> Harry de Quetteville, "U.S. Hunts Islamic Militants in Bosnia," *Daily Telegraph*, July 26, 2004, 12 and discussions with U.S. officials.

Bosnia and Herzegovina has made strides in fighting terrorism on its territory, according to U.S. officials. However, it faces the same problems of poverty and corruption as other countries in the region, plus institutional failings that are a result of Bosnia's recent development. The Dayton Peace Accords divided Bosnia and Herzegovina into two semi-autonomous "entities" — the largely Bosniak-Croat Federation and the mainly Bosnian Serb Republika Srpska — with a weak central government. Critics have charged that this structure has stymied Bosnia's efforts to develop effective government institutions. The 2005 State Department Country Reports on Terrorism notes that, while Bosnia's counterterrorism cooperation with the United States was good, the weakness of the Bosnian state could "present an attractive environment for those seeking a locale to facilitate terrorist activities."

U.S. and international efforts to strengthen the central government have been resisted by the Bosnian Serbs, who frequently charge the Bosniaks with terrorist ties. In May 2005, Bosnian Serb police chief Dragomir Andan claimed that the terrorists who carried out the March 2004 Madrid bombings had been trained at alleged Al Qaeda camps in Bosnia and Herzegovina. EU police and other officials in Bosnia said that they had seen no evidence to support such charges. Such charges have coincided with an ongoing effort by international officials in Bosnia to put the police, a key pillar of Bosnian Serb leaders' power, under central government control in order to more effectively combat organized crime and terrorism.

Bosnian opposition to terrorism has been broad, despite the still-deep ethnic divide in the country. The United States still enjoys a strong reservoir of support in Bosnia, especially among Bosniaks, for bringing peace to the country and providing post-war aid. The largely secular and European outlook among Bosniaks has caused friction with foreign Islamic extremists. Efforts by the Islamists to recruit Bosniaks into their organizations have met with limited success.<sup>6</sup> Some Bosniaks fear that terrorists will give Bosnia a bad name in Europe, thereby hindering their ability to travel there, and setting back Bosnian efforts to join European institutions. On the other hand, some experts are concerned that widespread unemployment among Bosniak youth, coupled with dissatisfaction with U.S. foreign policy, could aid terrorist recruitment. In 2006, a joint U.S.-Croatian intelligence report reportedly said the terrorist groups were attempting to recruit so-called "white Muslims," from Bosnia and other Balkan countries, whose physical appearance might arouse less suspicion in Europe than a person of Middle Eastern appearance. Bosnian officials have offered mixed assessments of this threat: some say that it is a significant concern, while others admit it as a possibility but note that they have no concrete evidence so far for widespread recruiting efforts of this kind.<sup>7</sup>

The 2005 State Department terrorism report discusses an Islamist extremist organization called Active Islamic Youth, which is associated with former foreign Islamic fighters in Bosnia. It says that the group engages in outreach activities aimed at Bosnian youth and publishes materials promoting Islamic fundamentalism, religious intolerance, and anti-Western rhetoric.

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<sup>6</sup> Discussions with U.S. officials.

<sup>7</sup> William J. Kole, "Terrorist Recruiting 'White Muslims,'" Associated Press wire dispatch, April 17, 2006.

U.S. officials have lauded Bosnia's efforts in the fight against terrorism. In his 2002 State of the Union Address, President Bush singled out Bosnia specifically for praise for its cooperation with the United States. In January 2002, Bosnia handed over to the United States Bensayah Belkacem, whom U.S. officials believed could be a high-ranking figure in Al Qaeda, as well as five other suspects. The suspects were originally from Algeria, although four gained Bosnian citizenship. All are currently interned at U.S. facilities in Guantanamo Bay, Cuba. The rendition of these men to the United States was sharply criticized by Bosnian legal experts as a violation of the rule of law, as has their continued detention in Cuba.<sup>8</sup> Bosnian prosecutors formally exonerated the men in 2004 after an investigation, and Bosnia formally requested that the four Bosnian citizens be released from U.S. custody in February 2005. The United States has so far rejected Bosnia's request.

In cooperation with U.S. investigators, Bosnian authorities have investigated Islamic charities suspected of having ties with Bin Laden. In March 2002, Bosnian police raided Bosnian offices of the Benevolence International Foundation (BIF), which is headquartered in Illinois. Police found weapons, military manuals, a fraudulent passport, photographs of Bin Laden, and other items. BIF leader Enaam Arnaout, who was charged in US courts with concealing his relationship to al-Qaida, received an 11-year sentence, albeit for fraud, not on terrorism charges.

A subsequent Bosnian raid on another group, a local branch of Saudi-based Al-Haramain Islamic Foundation, uncovered tapes calling for attacks on peacekeepers in Bosnia. Another raid, this time on the Sarajevo office of the Saudi High Commission for Relief, netted anti-Semitic and anti-American materials, as well as photos of U.S. military installations.<sup>9</sup> Other Al Qaeda fronts, such as Vazir (Al-Haramain's successor organization) and the Global Relief Fund were also shut down. In 2004, the Bosnian government disrupted the operations of al-Furqan (a.k.a. Sirat Istikamet), al-Haramain and al-Masjed al-Aqsa Charity Foundation, and Taibah International, all Al Qaeda-linked organizations. Experts note that when some Al Qaeda front organizations are closed down, others often spring up to replace them. The 2005 State Department terrorism report said that the government remained vigilant against previously shut NGOs renewing their activities. Authorities continued to investigate other organizations, private companies, and individuals for links to terrorist financing. In February 2005, Bosnian state and entity-level governments agreed to form a single joint database of all NGOs and associations in Bosnia.

Bosnian officials have been charged with providing aid to terrorists. In November 2004, the Bosnian government charged fifteen former Bosnian officials with illegally helping former foreign Islamic fighters in Bosnia gain Bosnian citizenship from 1995-2000.<sup>10</sup> In 2005, six former Federation officials went on trial for their role in helping to establish an alleged terrorist training camp in Bosnia with

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<sup>8</sup> Daniel Williams, "Hand-Over of Terrorism Suspects to U.S. Angers Many in Bosnia," Washington Post, January 31, 2002.

<sup>9</sup> Andrew Purvis, "Money Trouble," "Time Magazine Europe, July 1, 2002.

<sup>10</sup> Nezavisne Novine, January 28, 2005, as carried by the BBC Monitoring Service.



Iran's help during the mid-1990s. Iran, designated as an active supporter of terrorism by the United States, has not been viewed as closely linked with Al Qaeda, although it supports groups such as Hizbollah in Lebanon, Hamas and Palestinian Islamic Jihad in Israel's occupied territories, among other groups. However, most experts believe that Iran sharply scaled back its activities in Bosnia soon after the end of the Bosnian war in 1995.<sup>11</sup>

In 2005, the Bosnian government set up a Citizenship Review Commission to strip Bosnian citizenship from naturalized citizens who fraudulently obtained their citizenship, have no substantial ties to Bosnia at present, or obtained their citizenship because of government error or misconduct. The commission reviews the citizenship status of former Islamic fighters and withdraws citizenship, when appropriate. About 1,500 cases fall within the commission's mandate. By September 2006, the commission had revoked the Bosnian citizenship of 120 persons, mostly former Islamic fighters. Bosnian authorities announced plans to deport 50 of them, but reportedly do not know the whereabouts of many of them, because the addresses given on their citizenship applications are often out-of-date. Some of them may reportedly have changed their names, be residing in other countries, or have already been detained by authorities in other countries as suspected terrorists. Bosnia had previously revoked the citizenship of 140 foreign Islamic fighters in 2001 and 2002 but detained few of them, due to a lack of knowledge of their whereabouts.<sup>12</sup>

In October 2005, Bosnian Federation police arrested two terrorist suspects with links to terrorist networks in Western Europe and confiscated weapons and explosives. One is a Swedish citizen of Bosnian origin and the other a Turkish national living in Denmark. They are accused of planning a terrorist attack in Bosnia or elsewhere in Europe with the aim of forcing Bosnia or other countries to pull their troops out of Iran and Afghanistan. Three Bosnians involved in supplying the explosives are also held by Bosnian police. The men went on trial in July 2006. In addition, Danish authorities have arrested other persons in their country suspected of involvement in the plot.

The 2005 State Department terrorism report noted that, although Bosnia possesses counterterrorism laws, prosecutors have had difficulty in linking illegal activities to specific terrorism charges. As a result, they have sometimes sought to convict suspects on such charges as illegal arms possession, arms smuggling, and conspiracy, which often result in lighter sentences.

In recent years, with constant international prodding, Bosnia and Herzegovina has set up central-government-level institutions that are in part aimed at helping it fight terrorism and organized crime. Bosnia has deployed a State Border Service (SBS) throughout virtually all of the country's territory. The 2005 State Department terrorism report says that the "SBS is considered one of the better border services in Southeast Europe," but notes that the SBS does not control a few illegal crossing points and that many official border posts are understaffed. Ministries of Defense

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<sup>11</sup> Stephen Schwartz, "Wahhabism and al-Qaeda in Bosnia-Herzegovina," Jamestown Terrorism Monitor, October 24, 2004.

<sup>12</sup> Jamestown Foundation, Terrorism Focus, September 12, 2006,

and Security were established in 2004, and the two entity-level intelligence services were merged into a single Bosnian State Intelligence and Security Agency (OSA) state-level service. Bosnia has established the State Investigative and Protection Agency (SIPA), responsible for investigating complex crimes including terrorism, illegal trafficking, organized crime, and smuggling of weapons of mass destruction. SIPA has a financial intelligence unit (FIU), and a sub-unit of its Criminal Investigation Department is dedicated to counterterrorism and WMD.

In June 2004, Bosnia adopted laws aimed at strengthening state-level law enforcement capabilities. The set of laws includes legislation giving SIPA law enforcement and investigative authority for state-level crimes, including terrorism, and a law on prevention of money laundering. The Bosnian State Court and the State Prosecutor's Office also deal with terrorism cases. However, most state-level bodies, with the partial exception of the State Border Service, are not fully staffed or operational and lack funds, resources, and qualified personnel.<sup>13</sup> Bosnia and Herzegovina is a party to the 12 international conventions and protocols relating to terrorism.

## Albania

As in the case of Bosnia, instability in Albania gave a foothold to Al Qaeda in the 1990s. Poor internal security, lax border controls, and high rates of crime produced an environment conducive to terrorist activity. Some foreign Islamic extremists used Albania as a safe haven and gained Albanian citizenship. Some former Albanian officials were thought to maintain links with these foreign extremists. Islamic non-governmental organizations, some of them fronts for Al Qaeda, were established in Albania after the collapse of the Communist regime in 1991. The situation worsened during civil unrest in Albania in 1997, when central authority broke down and large military weapons stocks were looted. Wars in neighboring Kosovo in 1999 and Macedonia in 2001 also had a negative impact on Albania's stability.

Terrorist threats in the middle and late 1990s caused the temporary closure of the U.S. embassy in Albania and the cancellation of planned visits to Albania by senior U.S. officials. In 1998, Albania and the United States foiled a planned attack on the U.S. embassy in Tirana, raided an Al Qaeda forgery ring, and arrested several Al Qaeda figures.<sup>14</sup> Since the September 11, 2001 attacks, some media sources and political leaders from Serbia have alleged that ethnic Albanian "terrorists" continue to maintain links with Islamic terrorist groups such as al-Qaeda. The Albanian government denies that terrorist training camps are present on its territory. U.S. and

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<sup>13</sup> State Department Country Reports on Terrorism, 2004, from the State Department website, [<http://www.state.gov>].

<sup>14</sup> 9/11 Commission Report, p. 127 and 2005 State Department Country Reports on Terrorism.

European government experts say that Albania does not at the moment appear to harbor a serious terrorist threat.<sup>15</sup>

In 2004, Albania announced the discovery of chemical weapons stocks acquired by the Communist regime in Albania during the 1970s. Albanian officials had not known of their existence until they were discovered by accident in a bunker. Although this cache is now guarded, it had been unguarded during the disorder of the 1990s. Moreover, due to a lack of documentation by the former regime, it is uncertain if there are other unreported stocks. Experts have expressed concern that some of these potentially could have fallen into the hands of terrorists.<sup>16</sup> In 2004, the government arrested local arms traffickers for dealing in surface-to-air missiles, which the State Department believes may have been intended for “regional extremists.”

Albania continues to cooperate closely with the United States and other governments in sharing information and investigating terrorist-related groups and activities, according to U.S. officials. Albania adopted a national action plan against terrorism in 2002. Albania has expelled suspected Islamic extremists and terrorists. Albania has also cooperated extensively to block financial and other assets of persons and groups operating in Albania with suspected links to terrorists. In 2004, the Albanian Parliament passed a strong money-laundering law that included antiterrorist financing provisions, bringing Albania’s legislation into compliance with international standards. Since December 2004, the Albanian government has frozen the assets of four organizations (Taibah, International Revival of Islamic Heritage Society, Al Haremein, and Global Relief Foundation) and four individuals (Nabil Abdul Saydi, Patricia Rosa Vinck, Yasin Al-Kadi, and Abdul Latif Saleh), all identified by the United Nations as suspected of supporting or funding extremist groups or organizations.<sup>17</sup> Albania has ratified all 12 UN international conventions and protocols relating to terrorism. However, the effectiveness of the government’s counterterrorist efforts are hampered by inadequate financial resources, corruption, a lack of fully trained officers responsible for borders and ports, and poor communications and data processing infrastructure.<sup>18</sup>

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<sup>15</sup> Discussions with U.S. and European officials.

<sup>16</sup> Joby Warrick, “Albania’s Bunkers of Death,” Washington Post, January 22, 2005, 4.

<sup>17</sup> Albanian newspaper Shekulli, December 22, 2004, as carried by BBC Monitoring.

<sup>18</sup> State Department Country Reports on Terrorism, 2005, from the State Department website, [<http://www.state.gov/>].

## Kosovo

In 1998 and 1999, ethnic Albanian guerrillas in Serbia's Kosovo province, angry at Serbian repression, fought an increasingly violent conflict with Serbian troops in the province. The United States and its NATO allies, outraged by Serb atrocities against ethnic Albanian civilians and fearing that the conflict could drag in other countries and destabilize the region, engaged in a NATO bombing campaign against Serbia from March to June 1999. Yugoslav leader Slobodan Milosevic agreed to withdraw his forces from the province in June 1999, clearing the way for the deployment of U.S. and other NATO peacekeepers. Since the departure of Serbian troops from Kosovo in 1999, Kosovo has been administered by the United Nations Mission in Kosovo (UNMIK), as called for by UN Security Council Resolution 1244.

Serbian and Russian intelligence sources have repeatedly asserted the existence of a strong Al Qaeda presence in Kosovo, allegedly including training camps. However, observers have warned that caution is needed in assessing these claims, given that both countries have an interest in discrediting Kosovar Albanians, particularly their claims to independence from Serbia. There have been few reports from Western sources of terrorists operating from Kosovo. Radical Islamic organizations, some with links to terrorism, have attempted to recruit followers among Kosovo Albanian Muslims but these attempts have met with limited success. Ethnic Albanian nationalists have committed terrorist attacks on Serbian civilians in Kosovo, but there is little evidence so far that they are working with Al Qaeda or other radical Islamic groups.

Some observers have expressed concern that powerful ethnic Albanian organized criminal groups from Kosovo, Albania and Macedonia (which play key roles in organized crime in Europe and the United States) could form an alliance with terrorist groups, but so far no such links have been detected, according to U.S. officials.<sup>19</sup>

UNMIK has devolved some powers to Kosovo's Provincial Institutions of Self-Government (PISG), but the main responsibility for security lies with UNMIK and the NATO-led peacekeeping force KFOR. According to U.S. officials, UNMIK has successfully prosecuted individuals for terrorism and developed new tools to combat terrorist financing. In 2004, UNMIK established a Financial Information Center to monitor suspicious financial transactions and deter money laundering and identify sources of terrorist financing. In 2005, UNMIK police froze the assets of 34 individuals and groups on suspicion of links to terrorist activity. UNMIK's Central Intelligence Unit (CIU) continues to cooperate closely with the United States and other governments in sharing information and investigating terrorist-related groups and activities. UNMIK and the Kosovo Police Service (KPS) monitored individuals entering Kosovo at official points of entry. Since July 2005, an UNMIK regulation has required persons who are not employed by an international organization to register with the KPS' Office of Foreign Registration upon entering Kosovo.

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<sup>19</sup> Tony Lacy, "Hunt for 'Terrorism Nexus' Changes How FBI Handles Crime," USA Today, August 19, 2004, and discussions with U.S. officials.

PISG, in cooperation with UNMIK, increased monitoring of 11 foreign NGOs suspected of extremism and issued regulations restricting their activities, including the appropriation of one mosque. It also required each NGO to submit documentation that explains its projects and shows its bank accounts. The Kosovo Islamic Community (KIC) evaluated foreign NGOs and prohibited them from using public facilities for gatherings if their views were found to be extremist. In March 2005, the KPS established an organized crime and terrorist unit, composed of 12 foreign police officers and 3 KPS officers. UNMIK initiated an ongoing Internal Security Sector Review (ISSR) that recognized Kosovo's need to increase its internal capacity to prevent such future strategic threats as terrorism, inter-ethnic extremism, organized crime, and corruption. However, Kosovo's counterterrorism efforts are hampered by porous boundary lines easily crossed by individuals trafficking in people or goods. An insufficient number of KPS border officials limited the ability to monitor wide expanses of mountainous terrain between crossing points. Corruption among border and customs officials is also a problem.<sup>20</sup>

UNMIK is likely to withdraw from Kosovo in 2007, after Kosovo's status is determined. After UNMIK's departure, an EU-led civilian presence in Kosovo is likely to play an important role in Kosovo's police and justice affairs, although the extent of its powers remain to be determined. KFOR will likely retain control of overall security for Kosovo for some time after a status settlement, but could be eventually replaced by an EU force in the long run.

## U.S. Policy

U.S. officials have cited the threat of terrorism in the Balkans as an important reason for the need for continued U.S. engagement in the region. In addition to the need to combat terrorist infrastructure in the region, U.S. officials say that U.S. efforts to bring stability to the region also help to fight terrorism. They note that political instability, weak political and law enforcement institutions and poverty provide a breeding ground for terrorist groups. These objectives are also outlined in the President's National Strategy for Combating Terrorism, which calls for the United States to work with other countries to deny terrorists sponsorship, support and sanctuary, as well as to work to diminish the underlying conditions that terrorists seek to exploit.

The United States has a variety of instruments to fight terrorism in the Balkans. One is the direct involvement of U.S. troops. NATO-led peacekeeping forces in Bosnia and Kosovo (dubbed SFOR and KFOR respectively) have provided important resources for anti-terrorist efforts in the region. NATO troops and intelligence services work with their local counterparts and independently to track down and arrest suspected terrorists. The powerful influence exercised by international officials in Bosnia and Kosovo gives the United States more freedom to arrest and deport terrorists than in many European countries, which might object on civil liberties or other grounds.

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<sup>20</sup> State Department Country Reports on Terrorism, 2005, from the State Department website, [<http://www.state.gov/>].

SFOR withdrew from Bosnia in late 2004, and was replaced by an EU-led force. The changeover resulted in the departure of most of the U.S. troops in Bosnia. About 150 U.S. soldiers remained in Bosnia as part of a residual NATO presence that is tasked with counterterrorism and other missions. These U.S. troops are scheduled to be withdrawn from Bosnia by the end of 2006. The European Union-led successor force to SFOR also has counterterrorism as part of its mandate.

In Kosovo, KFOR has 18,000 troops, including 1,800 U.S. troops, which are expected to remain in Kosovo after the province's status is resolved, perhaps by the end of 2006. KFOR may eventually be replaced by an EU-led force, although U.S. and European officials stress that KFOR will remain in Kosovo for some time after status is determined. The reduction of direct international control over Kosovo will require the United States and other countries to establish closer links with Kosovo government structures. The United States and its allies have made the creation of effective mechanism for fighting organized crime and terrorism one of its objectives in Kosovo.

The overall U.S. aid program to the region, aimed at bringing stability to the region through strengthening the rule of law and promoting economic reform, also serves to combat the sometimes lawless climate in the region in which terrorists can thrive. According to the FY2007 Congressional Budget Justification for Foreign Operations, Bosnia received an estimated \$51.3 million in total U.S. aid in FY2006. Albania received \$32.1 million in U.S. aid in FY2006, and Kosovo received an estimated \$74.2 million. For FY2007, the President requested \$42.9 million for Bosnia, \$27.2 million for Albania, and \$79.2 million for Kosovo.

In Bosnia, part of the U.S. aid supports technical assistance, training and equipment to build the capacities of the police forces in both entities, the State Border Service, the State Information and Protection Agency, the High Judicial Prosecutorial Council and other organizations. The United States provided \$40 million to Bosnia in the past three years to strengthen its police and judiciary. One project, co-funded with the EU, was the donation of an integrated data network for Bosnia's police forces.<sup>21</sup> U.S. aid also helps to develop Bosnia's export control regime, including over weapons of mass destruction and dual-use technology. U.S. aid to Albania also includes assistance to strengthen Albania's border controls, port security, and law enforcement agencies, and cut off terrorist financing. Aid to Kosovo includes funds to strengthen the Kosovo Police Service (KPS) and Kosovo's judiciary. The United States is funding efforts to rapidly destroy chemical weapons stocks in Albania.

The United States views the region, with its reputation as a crossroads for various forms of smuggling, as an important participant in the Proliferation Security Initiative, which aims to work to interdict WMD-related items. The United States has encouraged regional cooperation on terrorism and international crime through the Southeast European Cooperation Initiative (SECI). SECI's Regional Center to Combat Transborder Crime, based in Romania, attempts to build cooperation to

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<sup>21</sup> HINA Croatian news agency press dispatch, April 13, 2005.

combat organized crime and various forms of trafficking, enhance border security, and improve training for border security personnel.

U.S. assistance also includes bilateral aid to the countries of the region to fight terrorism. The Antiterrorism Assistance (ATA) program provides equipment and training to fight terrorism, with an emphasis on training the trainers. ATA programs provide advice to countries on counterterrorism and police administration and management, how to teach counterterrorism in police academies, and modern interrogation and investigative techniques.

In the longer term, efforts to stabilize the region and thereby perhaps reduce its attractiveness to terrorists, are also dependent upon integrating it into Euro-Atlantic institutions. The prospect of Euro-Atlantic integration for the region is encouraging these countries to take steps that will enable them to more effectively fight terrorism. The European Union has stated its goal of incorporating all of the countries of the region into the EU, although this prospect seems a long way off.

All of the countries of the region are seeking or may one day seek NATO membership as well. Three NATO candidate states — Albania, Croatia, and Macedonia — are linked in the U.S.-brokered “Adriatic Charter,” which is aimed at improving their qualifications for NATO membership. The Adriatic Charter countries have contributed troops to peacekeeping efforts in Afghanistan. In addition, Albania and Macedonia have contributed soldiers to U.S.-led operations in Iraq. Bosnia and Herzegovina lacks the prospect of distant NATO membership until it unifies its armed forces and security services. Nevertheless, it has deployed a small military contingent to Iraq and may join NATO’s Partnership for Peace program if it carries out defense and security sector reforms and cooperates with the Yugoslav war crimes tribunal. Kosovo’s undetermined status excludes it from even potential EU and NATO membership, at least for the present.

## **Congressional Response**

Congress has dealt with the issue of Islamic terrorism in the Balkans through hearings and legislation on global counterterrorism issues, providing funding and oversight for programs aimed at combating terrorism worldwide, mainly in regions such as the Middle East and South Asia where the threat is deemed to be the greatest, but also in other regions, such as the Balkans. In addition, Congress has appropriated foreign aid for the Balkans aimed at enhancing stability and improving the rule of law in the region, objectives that also bolster counterterrorism objectives. On April 27, 2005, the House International Relations Committee held a hearing on Islamic extremism in Europe, but the hearings focused mainly on Western Europe rather than the Balkans.

Since the deployment of U.S. forces to Bosnia in 1995, in annual appropriations bills Congress has authorized to President to withhold aid to Bosnia if he certifies that the Bosnian Federation (the Bosniak-Croat entity within Bosnia and Herzegovina) is not complying with provisions of the Dayton Peace Accords that require the withdrawal of foreign forces from Bosnia or if Bosnian intelligence cooperation with state sponsors of terrorism or terrorist organizations has not ceased.

The Administration has not withheld U.S. aid to Bosnia on the basis of these provisions.

## **Conclusion**

The United States and its allies have been able to reduce the terrorist threat from the Balkans over the past decade for several reasons, some of which may be applicable to other regions and others not. The U.S. insistence that all foreign forces leave Bosnia in 1995, backed up by Congressional aid conditions, may have reduced the possible threat to U.S. forces in Bosnia in the immediate post-war period as well as removed a serious threat to Bosnian stabilization efforts. U.S. military interventions in Bosnia and Kosovo were perceived by Muslims in the region to be undertaken to benefit them, thereby bolstering pro-American sentiment. Most elites in the region, both Muslim and otherwise, view the region's future as integration in Euro-Atlantic institutions, making them especially eager to help the United States fight terrorism in the region.

However, observers note that complacency would be unwise. Conditions could emerge that could increase the terrorist threat in the future. The stability of the region is fragile and law enforcement and other public institutions are still weak. Some terrorists now fighting in Iraq may decide to redeploy to other regions, including the Balkans, in the future. Conversely, future recruits from the Balkans could also go to Iraq to join the insurgency. Terrorists could obtain weapons and explosives from the region's thriving black market in such items for use in attacks in Western Europe or other regions.