



# Kosovo: Current Issues and U.S. Policy

**Steven Woehrel**

Specialist in European Affairs

March 9, 2011

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

RS21721

## Summary

On February 17, 2008, Kosovo declared its independence from Serbia. On February 18, the United States recognized Kosovo as an independent state. Of the 27 EU countries, 22 have recognized Kosovo, including key countries such as France, Germany, Britain, and Italy. Seventy-five countries in all have recognized Kosovo. When it declared independence, Kosovo pledged to implement the Comprehensive Proposal for the Kosovo Status Settlement, drafted by U.N. envoy Martti Ahtisaari. The document contains provisions aimed at safeguarding the rights of ethnic Serbs and other minorities. An International Civilian Representative and EULEX, an European Union-led law-and-order mission, are tasked with guaranteeing Kosovo's implementation of the plan. KFOR, a NATO-led peacekeeping force, has the mission of providing a secure environment.

Serbia strongly objects to Kosovo's declaration of independence. It has used diplomatic means to try to persuade countries to not recognize Kosovo. It has set up parallel governing institutions in Serb-majority areas in Kosovo and urged Serbs there to not cooperate with Kosovo government authorities. However, after a July 2010 International Court of Justice ruling that Kosovo's declaration of independence was not illegal, the EU pressured Serbia into agreeing to hold direct talks with Kosovo over technical issues. The talks got underway in March 2011.

Kosovo faces daunting challenges, aside from those posed by its struggle for international recognition and the status of its ethnic minorities. Kosovo's problems are especially severe, as it has had little recent experience in self-rule, having been controlled by Serbia in the 1990s and by the international community from 1999 until 2008. According to a November 2010 European Commission report on Kosovo, the country suffers from weak institutions, including the judiciary and law enforcement. Kosovo has high levels of government corruption and powerful organized crime networks. Many Kosovars are poor and reported unemployment is very high.

In October 2010, Secretary of State Clinton visited Kosovo. She said the United States would continue to aid Kosovo's efforts to build a democratic country, where the rule of law is respected and ethnic minorities are well-integrated. Clinton said the United States would assist Kosovo in its efforts to join the European Union and NATO. She expressed the United States' strong support for upcoming talks between Serbia and Kosovo. She stressed that the issues of Kosovo's sovereignty and territorial integrity are not up for discussion during the negotiations. Instead, she said, the talks should focus on "immediate and practical needs" such as "increasing travel and trade." She said that they should be "focused," produce results, and be quickly concluded, noting that Serbia's next elections are scheduled for 2012. In March 2010, U.S. Deputy Assistant Secretary of State Thomas Countryman told journalists from the region that the U.S. role at the talks would be as a "guest," not as a participant or mediator.

Since U.S. recognition of Kosovo's independence in February 2008, congressional action on Kosovo has focused largely on foreign aid appropriations legislation. According to the FY2012 Function 150 Executive Budget Summary, Kosovo received \$95 million in aid for political and economic reforms from the AEECA account in FY2010, as well as \$2.5 million in FMF military aid, \$0.7 million in IMET military training assistance, and \$1.07 million in the NADR account for non-proliferation, anti-terrorism, demining and other functions. Congress has not adopted FY2011 foreign operations appropriations legislation so far, instead funding foreign aid with a series of continuing resolutions. Under such legislation, FY2011 U.S. aid to Kosovo may stay at roughly the same levels as in FY2010.

## **Contents**

|   |   |
|---|---|
| Kosovo’s Declaration of Independence.....           | 1 |
| The “Ahtisaari Plan” .....                          | 1 |
| KFOR.....   | 2 |
| Serbian Opposition to Independence .....            | 3 |
| Partition of Kosovo? .....                          | 5 |
| Kosovo’s Other Challenges .....                     | 5 |
| Kosovo’s Economy and International Assistance ..... | 7 |
| U.S. Policy.....                                    | 8 |
| Congressional Concerns .....                        | 8 |

## **Contacts**

|                                  |   |
|----------------------------------|---|
| Author Contact Information ..... | 9 |
|----------------------------------|---|

## **Kosovo's Declaration of Independence**

On February 17, 2008, Kosovo declared its independence from Serbia, sparking celebration among the country's ethnic Albanians, who form 92% of the country's population. Serbia and the Kosovo Serb minority heatedly objected to the declaration and refused to recognize it. Serbia continues to view Kosovo as a province of Serbia.

The United States recognized Kosovo's independence on February 18. At present, 75 countries have recognized Kosovo. Of the 27 EU countries, 22 have recognized Kosovo, including key countries such as France, Germany, Britain, and Italy. Five EU countries—Greece, Cyprus, Slovakia, Romania, and Spain—have expressed opposition to Kosovo's independence. These countries are either traditional allies of Serbia, or have minority populations for whom they fear Kosovo independence could set an unfortunate precedent, or both. Kosovo joined the International Monetary Fund and World Bank in June 2009. Russia has strongly opposed Kosovo's independence. Russian opposition will likely block Kosovo's membership in the United Nations for the foreseeable future, due to Russia's veto power in the U.N. Security Council. Kosovo seeks to eventually join the European Union and NATO, although this is at best a distant prospect, due to the non-recognition of Kosovo by several NATO and EU states, as well as the country's poverty and weak institutions.

## **The "Ahtisaari Plan"**

When it declared independence, Kosovo pledged to implement the Comprehensive Proposal for the Kosovo Status Settlement, drafted by U.N. envoy Martti Ahtisaari. The provisions of the plan have been incorporated into Kosovo's new constitution, which went into effect on June 15, 2008. The status settlement calls for Kosovo to become an independent country, supervised by the international community.<sup>1</sup> Under the plan, Kosovo has the right to conclude international agreements and join international organizations. It has the right to set up its own "security force" and intelligence agency. However, Kosovo is not permitted to merge with another country or part of another country.

The document contains provisions aimed at safeguarding the rights of ethnic Serbs (who currently make up an estimated 5.3% of Kosovo's population of 2.1 million, according to the Statistical Office of Kosovo) and other minorities (about 2.7% of the population). The plan calls for six Serbian-majority municipalities to be given expanded powers over their own affairs. They will have the right to form associations with each other and receive transparent funding from Belgrade. Local police will be part of the Kosovo Police Service, but their composition would have to correspond to the local ethnic mix and the local police commander would be chosen by the municipality. Central government bodies and the judiciary will also have to reflect Kosovo's ethnic composition. Kosovo's constitution and laws will have to guarantee minority rights. Laws of special interest to ethnic minorities can only be approved if a majority of the minority representatives in the parliament votes for them. The plan includes measures for the protection of Serbian religious and cultural sites and communities in Kosovo.

---

<sup>1</sup> Ahtisaari's report to Secretary General Ban Ki-Moon on the plan can be found at [http://www.un.org/Docs/sc/unsc\\_presandsg\\_letters07.htm](http://www.un.org/Docs/sc/unsc_presandsg_letters07.htm).

An International Civilian Representative (ICR), heading an International Civilian Office (ICO), oversees Kosovo's implementation of the plan. The ICR was chosen by an International Steering Group of key countries, including the United States. The ICR also serves as EU Representative in Kosovo. The first ICR is Pieter Feith of The Netherlands. The ICR is the final authority on the implementation of the settlement, and has the power to void any decisions or laws he deems to be in violation of the settlement, as well as the power to remove Kosovo government officials who act in a way that is inconsistent with the settlement. The ICR's mandate will last until the International Steering Group determines that Kosovo has implemented the settlement.

EULEX, a mission of over 2,800 persons (over 1,600 of them internationals) under the EU's European Security and Defense Policy (ESDP), monitors and advises the Kosovo government on all issues related to the rule of law, specifically the police, courts, customs officials, and prisons. It has the ability to assume "limited executive powers" to ensure that these institutions work effectively, as well as to intervene in specific criminal cases, including by referring them to international judges and prosecutors. The United States is providing up to 80 police officers and up to 6 judges and 2 political advisors to EULEX, at a cost of \$15 million to \$16 million annually.<sup>2</sup> Due to the lack of unanimity within the EU on Kosovo's independence, EULEX functions as a "status-neutral" organization, providing assistance on rule-of-law to local authorities without endorsing or rejecting Kosovo's independence.

## **KFOR**

KFOR, the NATO-led peacekeeping force in Kosovo, has the role of ensuring the overall security of Kosovo, while leaving policing duties to local authorities and EULEX. KFOR also plays the leading role in overseeing the training of the 2,500-strong Kosovo Security Force (KSF) called for by the Ahtisaari plan. NATO and the United States are providing assistance and training to the new force, which possesses small arms, but not heavy weapons such as artillery and tanks.

At a June 2009 NATO defense ministers' meeting, the Alliance agreed to gradually reduce KFOR's size to a "deterrent presence." The ministers decided that the reduction is justified by the improved security situation in Kosovo. The decision may have also been provoked by the strains on member states' resources posed by deployments to Afghanistan and other places, as well as by the global economic crisis. Tasks previously undertaken by KFOR, such as guarding Kosovo's borders and key Serbian cultural and religious sites, are being gradually handed over to the Kosovo police.

In November 2010, KFOR had 8,454 troops in Kosovo, of which 810 were U.S. soldiers.<sup>3</sup> A further reduction to about 5,000 soldiers was due to be completed by the beginning of March 2011, according to KFOR commander General Erhard Buehler, in comments to the Kosovar press in February. NATO officials say further cuts are possible in the future, if the security situation remains stable. Kosovar Albanian leaders have not expressed alarm at the KFOR reductions. They would like to see the KSF gradually assume responsibility for Kosovo's security, with continuing assistance from the Alliance to prepare the country for eventual NATO membership.

---

<sup>2</sup> Discussions with State Department officials and "Signing of European Union Rule of Law Mission (EULEX) Agreement," October 22, 2008, from the State Department website, <http://www.state.gov>.

<sup>3</sup> "KFOR Placemat," November 7, 2010, from the KFOR website, at [http://www.nato.int/kfor/structur/nations/placemap/kfor\\_placemat.pdf](http://www.nato.int/kfor/structur/nations/placemap/kfor_placemat.pdf).

In contrast, Serbs in Kosovo and Serbia criticized the KFOR cuts, saying that they would further weaken the security of the Serbian population in Kosovo.

## **Serbian Opposition to Independence**

Serbia and Kosovo Serbs have sharply rejected Kosovo's independence as illegitimate. After Kosovo's declaration of independence, Belgrade temporarily downgraded diplomatic relations with the United States and other countries that recognized Kosovo. These relations were later restored, however. Serbian officials refuse to participate in regional and other international meetings when Kosovar delegations are invited as representatives of an independent state. Serbia won a striking diplomatic victory when the U.N. General Assembly voted on October 8, 2008, to refer the question of the legality of Kosovo's declaration of independence to the International Court of Justice (ICJ). However, the effort ultimately proved unsuccessful. In July 2010, the ICJ ruled that Kosovo's declaration of independence did not contravene international law.

Despite its opposition to Kosovo independence, Serbia has taken a few conciliatory steps toward EULEX. The Serbian government agreed to a six-point plan that permitted EULEX's deployment in northern Kosovo in December 2008. Local courts in Mitrovica, closed as a result of the March 2008 riots, were reopened under U.N. auspices in October 2008. Two customs posts between Serbia and Kosovo, burned by rioters after independence, were reopened with EULEX personnel acting under U.N. auspices in December 2008. EULEX claims that the restoration of the customs posts has led to a sharp decrease in smuggling. In July 2009, over 300 Serbs agreed to return to the Kosovo Police Service, although Belgrade insisted that they be placed in a separate chain of command so that they would not report to the Kosovo government. In September 2009, EULEX signed a police cooperation agreement with Serbia. Kosovar leaders expressed opposition to the agreement, viewing the fact that the Kosovo government was cut out of the negotiations as an infringement on their country's sovereignty. By increasing cooperation with EULEX, Serbia may hope to improve its relations with the EU, which it has applied to join.

In a November 2010 report on Serbia's progress toward becoming a potential EU membership candidate, the European Commission noted the limits of such cooperation, however. It said that Serbia continued to maintain its own government structures in northern Kosovo. It organized its own municipal elections in Kosovo and discouraged Serb participation in the November 2009 municipal elections organized by the Kosovo authorities. The report said Serbia did not play a constructive role in the return of Kosovo Serb and Kosovo Albanian judges and prosecutors back to the district court in northern Mitrovica, the main city in the Serbian-controlled north. Currently, EULEX prosecutors and local administrative personnel are working there on case files, but local judges are needed so that serious cases can be tried. One stumbling block has been which law will be applied: Serbian or Kosovar. Another has been disagreement on finding judges acceptable both to Serbia and the Kosovo government. The report also said that Serbian police cooperation with EULEX needed to be improved.

Although the situation is not as bad as during the period immediately after independence, when violence was massive and widespread, violent incidents still occur on occasion in Serb-dominated areas northern Kosovo. These include attacks of an interethnic character and assaults on EULEX personnel. EULEX and the Kosovo Police Service play a limited role in this region, due to opposition from local Serb authorities. Kosovo authorities have charged that this has led to a security vacuum in which organized crime figures and extremists have flourished.

Some Serbs in Kosovo may be dissatisfied with Belgrade's insistence on non-cooperation with the Kosovo government. During the November 2009 local elections in Kosovo, significant numbers of Kosovo Serbs in a few areas participated in the vote. For example, turnout was 23.62% in Gracanica, where the Independent Liberal Party of Bojan Stojanovic won a majority.<sup>4</sup> While this turnout was much lower than in ethnic Albanian-majority areas, it should be noted that the Serbian government strongly urged Serbs to not participate in the election. The turnout may express dissatisfaction among Serbs in enclaves that are surrounded by ethnic Albanian-majority regions (who make up over half of the Serbian population in Kosovo), that Serbia is not giving them sufficient support to deal with their difficult economic and social circumstances. They may therefore feel the need to cooperate with Kosovo institutions.

In contrast to some Serbs in the enclaves, Serbian leaders in Serb-majority areas in northern Kosovo feel that they can do without cooperation with Kosovo authorities, as they can count on continued support from adjacent Serbia. The ICO and the Kosovo government planned to hold municipal elections in Serbian-dominated northern Mitrovica in May 2010. However, given Serbia's grip on the region and its open hostility to the plan to extend Kosovo government institutions there, the vote in northern Mitrovica has been postponed indefinitely. Instead, Serbia held its own local elections there.

The EU has responded to Belgrade's tight grip on northern Kosovo by embarking on a step-by-step approach without formal plans or deadlines under which the EU would work with local leaders in the north on issues such as economic development and rule-of-law while avoiding the status question. The EU has opened an "EU House" in the north to inform local residents about the EU. Other ideas include a water supply project and building a health care center in the north to show local people the benefits of cooperation with the EU. This approach has been viewed with impatience by the Kosovo government, which wants the international community to take more forceful steps to help it assert Kosovo's sovereignty over these areas.

After the ICJ ruled in July 2010 that Kosovo's declaration of independence did not violate international law, the EU pressed Serbia to agree to hold EU-facilitated talks with Kosovo on technical issues. The collapse of the Kosovo government in late 2010 and the need for new elections delayed the talks, which began on March 8-9, 2011. The first round of the negotiations discussed such issues as land registry records, air traffic, Kosovo's participation in regional initiatives (particularly the Central Europe Free Trade Agreement), trade, and freedom of movement.

Both sides said the talks took place in a constructive atmosphere. Kosovo's chief negotiator for the talks has repeatedly stated that Kosovo's status will not be a subject for negotiations. However, many of the technical issues have clear implications for sovereignty, perhaps making it difficult to separate the two. Nevertheless, Belgrade's negotiator stressed that he did not want to do anything to push the other side from the table, and that he was ready to look for solutions that would not compromise to positions of either side on status. Serbia may want to appear to be constructive at the talks in order to persuade the EU to grant it membership candidate status before Serbia holds new parliamentary elections next year.

---

<sup>4</sup> Republic of Kosovo, Central Election Committee, Preliminary Mayoral Results 2009.

## **Partition of Kosovo?**

Some observers have called for Kosovo to be formally partitioned, part of it joining Serbia (most likely those regions of northern Kosovo already under its de facto control) and the rest an independent Kosovo. Serbia has not publicly called for partition yet, as it still claims that all of Kosovo belongs to it, but observers say that Belgrade may be preparing the ground for such proposal in the future.

The Kosovo government strongly opposes any partition. For it to change its views, Kosovars would have to conclude that Kosovo has no real chance of extending its control over the north, and that it could gain something valuable in exchange for giving up its claims there. Presumably, this would have to include diplomatic recognition from Serbia, or some other way of ending the Kosovar-Serbian diplomatic “war” that would allow Kosovo to join the U.N. and ease its cooperation with the EU and its neighbors. Kosovars might also seek the cession to Kosovo of ethnic Albanian-majority areas of southern Serbia. In February 2010, Kosovo parliament speaker Jakup Krasniqi called for such an exchange of territory. The United States and most EU countries also oppose partition. A key reason for their opposition is that they fear it could revive other efforts to redraw borders in the Balkans, such as in Bosnia and Macedonia.

Another possibility raised by some experts would be to stop short of a formal partition, but to grant the Serb-dominated northern areas a special status within Kosovo that would exceed that offered by the Ahtisaari Plan to other Serb-majority areas in the country. This idea is also strongly opposed by the Kosovo government, and it has so far lacked open support in the international community. It is also unclear that Serbia would favor it, if it would require Belgrade to recognize even nominal Kosovo sovereignty over these areas.

However, even if partition is unlikely in the near future, Serbia will try to continue to strengthen its control of areas of Serb-majority regions, creating an indefinite, de facto separation. Some observers have warned that Kosovo is a “frozen conflict” in the making. The term was coined to describe territorial conflicts, mainly in the former Soviet Union, where violence has stopped or is sporadic, but little or no movement toward a negotiated resolution has occurred for many years.

## **Kosovo’s Other Challenges**

Kosovo faces daunting challenges as an independent state in addition to those posed by its struggle for international recognition and the status of its ethnic minorities. Kosovo suffers from the same problems as other countries in the region, but is in some respects worse off than many of them. Kosovo’s problems are especially severe as it has had little recent experience in self-rule, having been controlled by Serbia in the 1990s and by the international community from 1999 until 2008. According to a November 2010 European Commission report on Kosovo, the country suffers from weak institutions, including the judiciary and law enforcement. Kosovo has high levels of government corruption and powerful organized crime networks.<sup>5</sup>

Kosovo’s image on the organized crime issue suffered another blow as a result of a report approved by the Parliamentary Assembly of the Council of Europe in January 2011. The report,

---

<sup>5</sup> Kosovo (Under UNSCR 1244/999) Progress Report, from the European Commission website at [http://ec.europa.eu/enlargement/pdf/key\\_documents/2010/package/ks\\_rapport\\_2010\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/ks_rapport_2010_en.pdf)



authored by human rights rapporteur Dick Marty of Switzerland, linked Kosovo Prime Minister Hashim Thaci and others with the alleged murder of prisoners during the Kosovo Liberation Army's war with Serbia in the 1990s, and the extraction of their organs in Albania for sale on the international black market. Thaci and other former KLA leaders strongly deny the charges. The Parliamentary Assembly of the Council of Europe, the European Union, and the United States have called on EULEX, the Kosovo authorities, and Albania to conduct a serious investigation of these charges. EULEX has begun a preliminary investigation of the charges. Serbia has rejected this approach as insufficient, and has called for an independent investigative body to be formed by the U.N. Security Council.

The November 2009 local elections, the first held since the country's independence and the first administered by Kosovo's own election authorities, presented a mixed picture of Kosovo's democratic development. The elections were monitored by the European Network of Election Monitoring Organizations (ENEMO), a coalition of civic groups from Central and Eastern Europe and Central Asia. In its preliminary assessment, the monitors found that the elections "met many of the international standards for elections," but noted isolated problems of misconduct and the need for improvement in such areas as the accuracy of voter rolls.<sup>6</sup> Democracy in Action, a group of election observers from local NGOs, offered a similar evaluation. U.S. Ambassador to Kosovo Christopher Dell said that Kosovo and its citizens can be "very proud" about the conduct of the elections, which he said "demonstrated to the world that an independent Kosovo is a place where democracy can and does flourish."

However, journalists from the Balkan Investigative Reporting Network said they had witnessed a few serious incidents of fraud and received reports of others, including tampering with ballots, repeat voting with fraudulent credentials, and intimidation of some voters and observers.<sup>7</sup> Kosovo's Central Election Commission (CEC) decided to repeat elections in Prizren, Lipjan, and Gjilan, due to reports of widespread irregularities in the second round of voting on December 13. The United States hailed the CEC's decisions.

In September 2010, Kosovo President Fatmir Sejdiu resigned after the Kosovo Constitutional Court ruled that he had violated the constitution by simultaneously holding the posts of president and head of a political party. In response, the Kosovo parliament dissolved itself and new parliamentary elections were held on December 12, 2010. As in the case of the local elections, the vote was marred by fraud, which led to a rerun of the election in some districts in January.

After lengthy negotiations, a new government was formed in February 2010. Hashim Thaci, leader of the Democratic Party of Kosovo (PDK), was reelected as prime minister. In addition to the dominant PDK (which has 34 seats), the government, which was approved by 65 of the 120 members of the parliament, also includes the New Kosovo Alliance, led by wealthy construction magnate Behgjet Pacolli (8 seats). Most of the remaining coalition parties represent Serbs and other ethnic minorities. As part of the deal to set up the government, Pacolli was elected president of Kosovo by the parliament in February 2010.

---

<sup>6</sup> ENEMO's preliminary statement can be found at [http://www.enemo.eu/press/Preliminary\\_Statement\\_first\\_round\\_ENG.pdf](http://www.enemo.eu/press/Preliminary_Statement_first_round_ENG.pdf).

<sup>7</sup> Lawrence Marzouk, "Violent Incidents Take Luster Off of Historic Kosovo Poll," November 19, 2009, from the Balkan Insight website, <http://www.balkaninsight.com>

Observers have noted that this coalition may be weaker than previous Kosovo governments. It commands a relatively narrow majority and is heterogeneous in composition. The possible fragility of the government could inhibit its ability to successfully conduct talks with Serbia on technical issues, particularly if opposition groups take a strongly negative view toward them.

## **Kosovo's Economy and International Assistance**

Poverty, unemployment, and a lack of economic opportunity are serious problems in Kosovo. Kosovo is one of Europe's poorest countries, with a per capita Gross Domestic Product of 1,850 Euro. About 45% of Kosovo's population is poor, according to the World Bank, with an income level of 43 Euro per month or less. About 17% of the population is very poor, and has trouble meeting its basic nutritional needs. Poverty is particularly severe in rural areas and among Roma and other ethnic minorities. Unemployment in Kosovo in 2009 was 45%, according to the European Commission's November 2010 report on Kosovo. Small and inefficient farms are the largest employers in Kosovo. The country has little large-scale industry and few exports. However, Kosovo does have significant deposits of metals and lignite, which could lead to a revival of the mining sector. Kosovo has to improve its investment climate in order to stimulate growth and attract foreign investment, according to the European Commission and World Bank.

Since 1999, Kosovo has been heavily dependent on international aid and expenditures by international staff in Kosovo. These sources of income have declined. Kosovo is also dependent on remittances from the large number of Kosovars abroad. Each accounts for about 15% of Gross Domestic Product, according to the 2009 CIA World Factbook.

The European Commission hosted an international aid donors' conference for Kosovo on July 11, 2008. The donors pledged a total of 1.2 billion Euro (\$1.9 billion) for the period 2009-2011. The EU pledged 508 million Euro (about \$812 million), while EU member states pledged another 285 million Euro (\$455 million). The United States pledged \$402.9 million, which included some money already appropriated. The international aid will go toward improving Kosovo's infrastructure links toward the rest of the region, improving Kosovo's educational system, developing Kosovo's democratic institutions, and funding for debt obligations that Kosovo may inherit.<sup>8</sup> Donor governments raised concerns about whether Kosovo can effectively absorb this aid, given the inefficiency of its governing institutions and a serious problem with corruption.

Kosovar leaders have criticized EU decisions to permit visa-free travel to the EU for the citizens of other countries in the region in 2010, while continuing to require visas for Kosovo. In addition to the practical inconveniences involved, Kosovars may view the decision as a blow to the prestige of their country. Moreover, the country's European integration may be hindered if Kosovars, particularly young people, find it difficult to travel to the EU and see how the EU functions at first hand. Despite this concern, the lack of unanimity on Kosovo's status within the EU may remain a serious obstacle to the resolution of this problem.

---

<sup>8</sup> Text of the donor conference press release, from the EU-World Bank website, <http://www.seerecon.org>.

## **U.S. Policy**

The United States played a key role since 2005 in pushing for a solution to the issue of Kosovo's status—that is, whether it should become independent or stay part of Serbia. The United States recognized Kosovo's independence on February 18, 2008, one of the first countries to do so. The United States has urged other countries to extend diplomatic recognition to Kosovo, with mixed success. In December 2008, President Bush announced that Kosovo had been included under the Generalized System of Preferences, a program that cuts U.S. tariffs for many imports from poor countries.

Vice President Joseph Biden visited Kosovo on May 21, 2009, after stops in Bosnia and Serbia the previous two days. He received a hero's welcome in Kosovo, where he declared that the "success of an independent Kosovo" is a U.S. "priority." He offered U.S. support to Kosovo in dealing with its many challenges, including building effective institutions, fighting organized crime and corruption, and improving ties with ethnic minorities. He said he stressed to Serbian leaders the United States' own strong support for an independent Kosovo and urged them to cooperate with Kosovo institutions and EULEX instead of setting up separate institutions for Kosovo Serbs.<sup>9</sup> On the other hand, when he was in Belgrade, Biden told Serbia's leaders that he did not expect them to recognize Kosovo's independence in order to have improved relations with the United States.

In October 2010, Secretary of State Clinton visited Kosovo. She said the United States would continue to aid Kosovo's efforts to build a democratic country, where the rule of law is respected and ethnic minorities are well-integrated. Clinton said the United States would assist Kosovo in its efforts to join the European Union and NATO. She expressed strong U.S. support for upcoming talks between Serbia and Kosovo. She stressed that the issues of Kosovo's sovereignty and territorial integrity are not up for discussion during the negotiations. Instead, she said, the talks should focus on "immediate and practical needs" such as "increasing travel and trade." She said that they should be "focused," produce results, and be quickly concluded, noting that Serbia's next elections are scheduled for 2012. In addition to meeting with Prime Minister Thaci and other top Kosovo government officials, Mrs. Clinton also visited the Gracanica monastery and met with the newly elected mayors of Serb-majority municipalities.

Although strongly supporting the Serbia-Kosovo talks, U.S. officials have said the United States will not play a leading role in them. In March 2010, U.S. Deputy Assistant Secretary of State Thomas Countryman told journalists from the region that the U.S. role at the talks between Serbia and Kosovo would be as a "guest," not as a participant or mediator.

## **Congressional Concerns**

After the end of the Kosovo war in 1999, the issue of Kosovo's status was of significant interest to Members of Congress. Some Members favored independence for Kosovo as soon as possible. They said Kosovars should enjoy the same right of self-determination enjoyed by other peoples in the region and throughout the world. Other Members were skeptical. They were concerned about

---

<sup>9</sup> A text of Vice President Biden's speech to the Assembly of Kosovo can be found at the White House website at [http://www.whitehouse.gov/the\\_press\\_office/Remarks-By-The-Vice-President-To-The-Assembly-Of-Kosovo/](http://www.whitehouse.gov/the_press_office/Remarks-By-The-Vice-President-To-The-Assembly-Of-Kosovo/)

the Kosovo government's shortcomings on minority rights and other issues and about the impact Kosovo's independence could have on Serbia's democracy and regional stability. Several draft resolutions on the issue of Kosovo's independence were submitted, with some in favor and others opposed. None of them were adopted.

After U.S. recognition of Kosovo's independence in February 2008, congressional action on Kosovo has focused largely on foreign aid appropriations legislation. According to the FY2011 Congressional Budget Presentation for Foreign Operations, Kosovo received an estimated \$123 million in U.S. aid in FY2009. This amount includes \$120.1 million in the Assistance for Europe, Eurasia and Central Asia (AEECA) account to support political and economic reform. In FY2009, Kosovo also received \$1.5 million in Foreign Military Financing (FMF), \$0.638 million in IMET military training funds to help build up the new Kosovo Security Force (KSF), and \$0.795 million in aid in the Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) account.

The FY2010 State Department-Foreign Operations appropriations language is contained in Division F of P.L. 111-117, the Consolidated Appropriations Act, 2010. The conference report accompanying the measure recommended \$95 million in aid for political and economic reform for Kosovo from the AEECA account. According to the FY2012 Function 150 Executive Budget Summary, Kosovo received \$95 million from the AEECA account in FY2010, as well as \$2.5 million in FMF, \$0.7 million in IMET, and \$1.07 million in NADR. Congress has not adopted FY2011 foreign operations appropriations legislation so far, instead funding foreign aid with a series of continuing resolutions. Under such legislation, FY2011 U.S. aid to Kosovo may stay at roughly the same levels as in FY2010. For FY2012, the Administration has requested \$63 million for Kosovo from the AEECA account, \$0.7 million in IMET, and \$3 million in FMF.

U.S. aid programs include efforts to support the Kosovo Police Service and strengthen the judicial system and local government in Kosovo. Technical assistance is also used to build the capacity of Kosovo's government, parliament, and the financial sustainability of Kosovo's electricity sector. U.S. aid also assists Kosovo in securing access to clean drinking water for its population and in building new schools. FMF and IMET aid help improve the capabilities of the Kosovo Security Force. NADR funding is aimed at boosting the capacity of Kosovo border police to fight proliferation and trafficking.

## **Author Contact Information**

Steven Woehrel  
Specialist in European Affairs  
swoehrel@crs.loc.gov, 7-2291