

XI. Europe and the New Independent States

Introduction

Reflecting the dramatic and fundamental changes in world politics that unfolded across Europe at the end of the 1980s and beginning of the 1990s, the Bureau of European Affairs at the Department of State underwent important organizational modifications. Before the Clinton administration assumed office, the Soviet Union became the Commonwealth of Independent States, but that loose federation of nations soon split into 12 independent states of Eurasia, the Caucasus, and Central Asia with Russia as the dominant state. At the beginning of the Clinton years, the Newly Independent States was a unified country directorate within the Bureau of European Affairs, but such an unwieldy structure did not reflect overriding U.S. interest in maintaining the independence, sovereignty, and territorial integrity of these new states.

To provide more focused attention to these new nations, the Department of State created the Office of the Special Adviser to the Secretary of State and Ambassador at Large for the Newly Independent States of the former Soviet Union (S/NIS) in April 1993, and Strobe Talbott assumed the post of chief policy official responsible to the Secretary of State for all aspects of U.S. relations with the 12 states. He also assumed responsibility for the office of the special negotiator, which was also established in 1993, for the dispute between Armenia and Azerbaijan over Nagorno-Karabakh and other NIS regional conflicts and provided policy guidance to the Office of the Coordinator for U.S. assistance to the NIS. At the same time, the countries of Central Europe, freed from the Soviet sphere, remained in the Bureau of European Affairs. In June 1998, Canada, the United States' leading trading partner under the North American Free Trade Agreement, moved from the Bureau of European Affairs into the newly reorganized Bureau of Western Hemisphere Affairs.

The New Independent States

The transformation of the New Independent States into free-market democracies and their integration into the community of democratic nations, the global economy, and international institutions were among the highest foreign policy priorities of the Clinton administration. The administration encouraged the NIS to pursue independent economic, political and security agendas in an effort to strengthen their sovereignty, independence and territorial integrity.

The young states of the old Soviet Union prepared to mark their first decade of independence in 2001, but the sober realities of sovereignty threatened to temper the anticipated celebration. Democracy put down shallow roots and political institutions in general were weak; market reforms were poorly implemented, and economic performance was shaky at best; security concerns and regional tensions preoccupied many of the region's aging ex-communist leaders. Societies were tired and apprehensive, as crime and corruption gained major footholds. Most of the non-Russian states were worried about Russian intentions toward them; neo-authoritarian drift worried the Russians.

For all these states, however, there was also a positive side to the ledger—a sense of normality after the armed conflicts of the early 1990s and the near-meltdowns of many economies in the late 1990s. Regional cooperation was on the rise, and so was cooperation with states beyond the region. And even with the uncertainties of transition, hundreds of U.S. businesses were able to find new markets and suppliers in Russia and the other NIS.

These trends, both the promising and the menacing developments alike, had an obvious bearing on U.S. interests. The United States often repeated its commitment to the sovereignty and independence of the post-Soviet states, but it also had a stake in their ability to work together to export energy to international markets; to control the flow of advanced military technology from and through their territory; to resolve conflicts that were a magnet for terrorist groups outside the region, and to prevent the criminalization of their own politics (and the export of this criminality).

Advancing the long list of U.S. interests in the NIS demanded careful calibration of priorities and resources, both diplomatic and financial. The Department of State established embassies in all 12 capitals, the most conspicuous signal of the U.S. commitment to the sovereignty of these states. U.S. aid to the region aimed to promote democracy and economic reform, draw these countries into international institutions, stem proliferation of nuclear weapons, and encourage regional cooperation. During the second Clinton administration, the focus of this assistance shifted from central governments toward the grassroots: non-governmental organizations (NGOs), small business, independent media, and local government. Congressional earmarks and sanctions, however, made these efforts less coherent and effective than they could have been, and the variety of aims the United States tried to advance, combined with lower funding levels, diffused the impact of the effort. Examples of such complications included earmarks specifying country-funding levels for Ukraine, Armenia, and Georgia; sanctions provisions relating to Azerbaijan's role in the Nagorno-Karabakh conflict (effectively prohibiting all aid to the Government of Azerbaijan); and linking assistance to Russia with Russian government policies on religious freedom, technology transfers to Iran, and the conflict in Chechnya.

Clinton administration policies toward Russia and the other post-Soviet states took account of a fundamental dichotomy in attitudes directed at the United States. While Moscow viewed U.S. involvement in the region with suspicion, its neighbors welcomed U.S. engagement as a counterbalance to fears of Russian hegemony. The continuing challenge for the Department of State lay in countering the Russian habit of measuring its own strength by its neighbors' weakness. To do so, the Clinton administration sought to overcome this weakness, whether through energy diplomacy in the Caspian basin, support for enhanced border security in Georgia and several of the Central Asian states, or pursuit of political solutions to conflicts over Karabakh, Abkhazia, Transnistria, and Chechnya. At the end of 2000, both the Russians and neighboring governments were continuing to pay close attention to the U.S. commitment to these efforts.

Neither adversary nor global partner, Russia combined inconsistent elements of authoritarianism, post-communist reform, neo-Soviet hegemonic behavior, and hopeful long-term social transformation. No one model of relations was likely to fit, and the

challenge was to maintain a framework for relations that allowed the U.S. Government to pursue, as appropriate, cooperation and confrontation on issues of its choosing while pursuing its long-term objectives of support for Russia's long-term democratic transformation and integration into international security and economic institutions, denuclearization, and the on-going transformation of the post-Soviet military-industrial complex. Although politically tempting, it would have been a mistake to allow single issues, however large (corruption, Chechnya, authoritarianism) to define the relationship.

Binational Commissions

During the Clinton administration, the United States established binational commissions with Russia, Ukraine, Kazakhstan, and Uzbekistan to further democratic and economic reform in these countries and to overcome obstacles in the bilateral relationships.

The U.S. Vice President and the Russian Prime Minister co-chaired the U.S.-Russian Joint Commission on Economic and Technological Cooperation. Presidents Clinton and Yeltsin established the commission at the Vancouver Summit in April 1993 to provide a framework for a partnership based on 1993 and 1994 bilateral summit declarations, including shared commitment to democracy, human rights, a market economy, the rule of law, international peace and stability. The inaugural session of the commission was held on September 2, 1993, in Washington. Its original mandate, which focused on cooperation in space, energy, and high technology, expanded to include agribusiness, business development, defense conversion, the environment, health, law enforcement, science and technology, and nuclear energy.

The U.S. Vice President and the President of Ukraine co-chaired the U.S.-Ukraine Binational Commission, created on September 19, 1996, to build closer ties between Ukraine and the United States, to underscore the substance of the strategic partnership, and to promote democratic and economic reform in Ukraine. The inaugural session was held on May 16, 1997, in Washington.

The U.S. Vice President and President of Kazakhstan co-chaired the U.S.-Kazakhstan Joint Commission to facilitate deeper cooperation between Kazakhstan and the United States on economic and foreign policy matters, including trade and investment, non-proliferation, environmental protection, science and technology, energy, and democracy. The inaugural session was held in November 1994 in Almaty.

The Ambassador-at-Large for the NIS and the Foreign Minister of Uzbekistan chaired the U.S.-Uzbekistan Joint Commission to provide a framework for regular high-level contacts and to monitor progress on common issues in the relations of the two countries. The Commission reviewed the full range of bilateral issues, ranging from counter-terrorism to military cooperation, regional stability, business and economic concerns, and political reform, including human rights. The inaugural session was held February 26-27, 1998, in Washington.

The Commissions helped to build solid working relationships and provided an effective channel to discuss potentially contentious and complex issues on a sustained basis. The activities of the Commission committees and working groups continued uninterrupted during the political election processes in each other's countries.

Cooperation on Arms Control and Controlling the Proliferation of Weapons of Mass Destruction (WMD)

Since 1993, the Clinton administration worked with the Russian federation to deactivate more than 1,500 Russian nuclear warheads and to ensure that U.S. and Russian weapons were no longer targeted at one another. By the end of 1994, with U.S. encouragement and support, Ukraine, Kazakhstan, and Belarus had completed removal of all Soviet-era nuclear weapons from their territory. Each of the NIS took steps to adhere to the principles of many of the international nonproliferation and security regimes, including the Missile Technology Control Regime, Chemical and Biological Weapons Conventions, the Nuclear Nonproliferation Treaty, and the Wassenaar Arrangement on export controls for conventional and dual-use goods and technologies.

The Department of State worked aggressively with Russia to keep its WMD arsenal from being sold to the highest bidder and to secure fissile material not properly stored or protected. For example, during Secretary Albright's visit to Kiev in March 1997, the Government of Ukraine formally renounced all cooperation with Iran's nuclear program. In 1995, at U.S. urging, President Yeltsin committed not to export militarily useful nuclear technology to Iran.

Since 1993, most of the NIS enacted new export control laws, with substantial U.S. support and assistance, to help regulate the flow of military and dual-use technologies from their countries and over their borders. Russia enacted its law in July of 1999; Moldova was the latest during the Clinton years with an October 2000 enactment date. (Additional details are in Chapters III and IV.)

In the 1994 U.S.-Ukraine-Russia Trilateral Agreement on denuclearization, Russia specifically accepted the sovereignty and independence of Ukraine.

Development of robust commercial space launch joint ventures with Russia and Ukraine enabled major U.S. commercial launch providers to remain competitive and maintain a significant market share. Commercial Space Launch Agreements (CSLA) signed in 1993 (Russia) and 1996 (Ukraine) provided a transitional measure aimed at balancing the interests of the U.S. space launch, satellite, and telecommunications industries, while maintaining safeguards against disruption of the market. Russian and Ukrainian entry into the market for international commercial space launches offered peaceful outlets for aerospace firms and technicians, which might otherwise have contributed to proliferation activities. This was consistent with broader U.S. policy encouraging economic reform, entry into world markets on a commercial basis, and conversion of military industries as much as possible to civilian use. The CSLAs always had a strong nonproliferation component, and the United States maintained the delicate balance between commercial concerns and the interests of U.S. industry with the need to ensure compliance with applicable U.S. export laws, regulations and overall nonproliferation policy.

Cooperation on Regional Security

In 1994, Russia withdrew the last of its troops from Central Europe and the Baltic states. Russia agreed in 1995 to forego sales of cryogenic rocket engines to India, opening the door to international commercial space launch. Between entry into force of

the original Conventional Forces in Europe (CFE) Treaty in 1992 and late 1995, when the CFE reduction period ended, the former Soviet states destroyed over 18,000 pieces of military equipment in fulfillment of obligations undertaken by the Soviet Union when the CFE was signed in 1990. Russia alone destroyed 11,500, more than any other state party to the convention. In addition, by late 2000, Russia had destroyed an additional almost 15,000 tanks, armored combat vehicles and artillery pieces east of the Urals under a treaty-associated political agreement. In 1999, in connection with its signing of the adapted CFE Treaty in Istanbul, Russia reached agreements with Georgia and Moldova on withdrawal of its forces on a fixed schedule from those countries. In addition, Russia committed to reducing conventional forces in Europe flank (including in Chechnya) to adapted CFE levels as soon as possible. The implementation of all CFE equipment reduction commitments of the former Soviet Union by its CFE successor states was nearly complete at the end of the Clinton administration.

Since the beginning of the Clinton administration, the United States was actively engaged in conflict resolution efforts in the NIS. The conflict in Tajikistan was successfully resolved in 1997 and the settlement was largely implemented, in part due to U.S. efforts and support for the peace process. Through its efforts to resolve the conflicts in Nagorno Karabakh, Abkhazia, South Ossetia, and Transnistria, the United States strengthened its relations with the NIS countries involved, Armenia, Azerbaijan, Georgia, and Moldova, and with the other mediators, including Russia, Ukraine, and France. In working through the Organization for Security and Cooperation in Europe (OSCE) and the United Nations, the United States lent legitimacy to the efforts of these institutions.

Russia and the United States formed a bilateral Working Group on Afghanistan in June 2000, which focused on ending terrorism emanating from the region, promoting human rights and a better life for the Afghan people, and countering Taliban-sponsored drug production and trafficking. The working group was an example of successful collaboration between the United States and Russia on areas of mutual interest such as counterterrorism. The United States and Russia worked closely together in the UN Security Council to seek a new UN resolution that would impose new measures against the Taliban for its support of terrorism. The Security Council adopted this resolution on December 19, 2000. The United States and Russia also worked closely in the "6+2 group" to address these issues. The Six Plus Two group (Turkmenistan, Uzbekistan, Tajikistan, Iran, Pakistan, and China plus the United States and Russia) served as a forum for regional cooperation on countering narcotics and to foster a political settlement in Afghanistan.

Russia was part of Group of Eight Industrialized Nations (G-8) efforts to encourage states to become party to the 12 UN international counterterrorism conventions and to improve measures to block the financing of terrorism. The United States continued to work closely with Russia on other regional and international efforts on counterterrorism, and again in a G-8 context, on cyber terrorism.

Supporting Democratic Development

The development of democratic institutions and civil society in the NIS was a top priority of Clinton administration policy. Since 1992, over 70,000 NIS citizens came to the United States on a wide array of exchanges, the vast majority of which were managed

by the State Department's Bureau of Educational and Cultural Affairs. Prior to its consolidation with the Department of State, the U.S. Information Agency (USIA) managed the exchanges. In addition, the Department of State's Coordinator of U.S. Assistance to the NIS determined the relative priority given to exchanges in the overall U.S. assistance program. These exchanges promoted more democratic, market-oriented mindsets, especially among the youth, helping to build constituencies for change.

From 1993 to 2000, the U.S. Government helped many of the NIS countries build the infrastructure for holding free and fair elections. Campaign finance, access to media, and other aspects of the electoral environment remained flawed, but in Russia and most other NIS, elections gradually became the accepted means of political change. U.S. assistance was managed primarily by the U.S. Agency for International Development (USAID), and implemented through grantees of USAID. The International Foundation for Electoral Systems (IFES) provided technical assistance to central electoral commissions, mostly focused on the mechanics and process of running an election. The National Democratic Institute (NDI) and the International Republic Institute (IRI) provided training and information about political party and coalition-building to parties in the NIS.

The United States expanded access to the Internet within the NIS by establishing 64 public access Internet sites throughout the 12 countries. These Internet sites were established by several U.S. Government-funded NGO implementers under programs managed by USIA and its successor, the Bureau of Educational and Cultural Affairs.

Nine years ago, virtually no civil society existed in the NIS. By 2001, there were 65,000 registered non-governmental organizations in Russia; at least 15 percent had received support from USAID. In some countries, national or local governments turned to NGOs for advice on particular issues or for assistance in providing social services. As a crucial element of a strong civil society and a functioning democracy, NGOs provided a channel for citizens to influence their government, both in advocating for positive policy actions and in preventing government from taking actions that would infringe on citizens' rights. NGOs were a check on the growth of government power, of particular importance in the NIS given the Soviet legacy.

Supporting Market Reform

U.S. assistance helped put the majority of assets in Russia and many other NIS into private hands, breaking the back of the communist, centralized economy. By 2001, the private or privatized sector produced roughly 70 percent of Russia's Gross Domestic Product (NIS-wide, nearly 60 percent). In 1989, the NIS number had been around 5 percent. U.S. assistance and international financial institution (IFI) loans played a significant role by supporting efforts to transfer assets out of state control.

Total U.S. assistance to support market reform in the NIS, Fiscal Year 1992 through Fiscal Year 2000, was approximately \$3.8 billion. Total IFI loans to Russia alone in that period were close to \$30 billion.

In the last few years of the administration, an increasing proportion of U.S. support focused on small business and structural change in the fledgling small business sector, the key source of economic growth and employment in the NIS, a pro-reform

constituency, and the basis for an emerging middle class. Hundreds of thousands of NIS entrepreneurs received training, consulting services, or small loans through U.S. Government programs. The United States was a major contributor to the European Bank for Reconstruction and Development's (EBRD) Russia Small Business Fund, which made 32,000 loans worth a total of \$380 million to small business; the U.S.-Russia Investment Fund (TUSRIF), a fully U.S. Government-funded entity, made a total of 550 loans worth almost \$39 million; and a variety of microcredit programs funded through USAID made 10,700 loans worth \$12.5 million. In the case of the EBRD and TUSRIF programs, loans were made through Russian commercial banks; EBRD and TUSRIF loaned to the banks, which in turn "on-lend" to Russian entrepreneurs. In the case of microcredit programs, a non-governmental organization was established for each program, which made the loans directly to business people. The Department of State coordinated the overall assistance program, and consistently encouraged USAID and EBRD to fund more small and micro credit programs as a way of jump-starting the fledgling private sector in the NIS.

The United States promoted economic reform by working directly with pro-reform regional governments. The "Regional Initiative" supported local efforts to improve the climate for business and investment, as well as for civil society in four Russian oblasts, two Ukrainian regions, and one region in Kazakhstan.

Rule of Law and Anti-Corruption

The Clinton administration encouraged Russia, Ukraine, Azerbaijan, Georgia and Armenia to sign the Warsaw Declaration as participants in the community of democracies. They expressed their support for core democratic principles and practices, respect for international law, and recognition of the universality of democratic values. Their behavior indicated their interest in being part of the democratic international community. In addition, the administration focused its efforts on creating an independent judiciary and producing legal reform in the NIS.

Toward the end of the 1990s, Russia began taking part in the G-8's Lyon Group of Experts on Transnational Organized Crime, which was working to overcome barriers to law enforcement cooperation in the globalized, high technology 21st century. At the 2000 Okinawa Summit, the Lyon Group was directed to play a similar role in negotiating a new UN instrument against corruption. The United States also established bilateral Law Enforcement Working Groups with both Russia and Ukraine to strengthen law enforcement cooperation and to devise strategies for combating organized crime and corruption.

The United States negotiated Mutual Legal Assistance Treaties (MLAT) with Russia and Ukraine. The Russian Duma passed the U.S.-Russia MLAT; at the end of 2000, the U.S. Senate had the treaty under consideration. The U.S.-Ukraine MLAT was scheduled to come into effect in 2001. These MLATs permitted their signatories to provide evidence and other forms of law enforcement assistance to each other in criminal investigations and proceedings.

The Russian Government, with the help of U.S. and Council of Europe experts, wrote draft anti-money laundering legislation that was under active consideration at the end of 2000. Russia and other NIS opened a dialogue with the international community on corruption. All took part in the U.S.-sponsored February 1999 Global Forum on

Fighting Corruption held at the State Department and participated in the May 2000 Second Forum in The Hague.

Europe

The 8 years of the Clinton administration were momentous ones for Europe and for the U.S. relationship with Europe. The actions of the Clinton administration ultimately proved to be decisive in achieving the victory of democracy over tyranny in the Balkans and the halting of ethnic cleansing in Bosnia and Kosovo. The Department of State modernized and expanded core transatlantic institutions and successfully promoted democracy and stability in parts of Europe where both were under extreme threat. In addition, the Department secured and enhanced European support for U.S. goals in Latin America, Africa, Asia, and the Middle East and against transnational threats worldwide.

In short, the major shift in focus of the European Bureau during the Clinton administration was from a transatlantic relationship guided by a Cold War outlook to one guided by the new realities and complex challenges of the 21st century. At the end of the Clinton administration, Europe was more prosperous, whole, free, and more peaceful than ever before.

The Dayton Peace Accords

The first major challenge faced by the Clinton administration was the war in Bosnia-Herzegovina (hereafter Bosnia), Europe's bloodiest conflict since World War II. Lasting nearly 4 years, the conflict caused by the breakup of Yugoslavia claimed some quarter of a million lives, displaced two million people from their homes, and posed one of the great tests to the international community since the end of the Cold War. Early joint efforts by the United Nations and European Community to devise a peace plan failed to bring an end to the fighting. In May 1993, Secretary of State Warren Christopher traveled to Europe to obtain support for a policy of lifting the UN arms embargo against Bosnia, and thus leveling the playing field in the conflict, and deploying NATO air strikes to support the Muslim forces in Bosnia. His efforts were unsuccessful. In the summer of 1995, Secretary Christopher and President Clinton sent a negotiating team to the Balkans to try to bring peace to Bosnia. Headed by Assistant Secretary for European Affairs of State Richard Holbrooke, the team worked closely with the NATO allies, Russia, and the United Nations. The negotiators labored tirelessly through the autumn, accumulating thousands of miles and hundreds of hours in their shuttle trips among Balkan capitals. Tragically, three U.S. diplomats on the team—Deputy Assistant Secretary of State Robert Frasure, Deputy Secretary of Defense Joseph Kruzel, and National Security Council Staff member Colonel Nelson Drew—died in an accident on the treacherous Mt. Igman Road while attempting to reach the war-torn capital of Bosnia, Sarajevo.

In close conjunction with the diplomatic effort, the Clinton administration and NATO instituted an intensive 2-week bombing campaign on August 29, 1995, in response to a murderous mortar attack by Bosnian Serbs on a Sarajevo market. Working closely with UN forces on the ground, an international force of NATO jet aircraft flew nearly 3,500 missions against Bosnian Serb targets that were threatening UN-protected

safe areas. The air campaign, the first in NATO's history, convinced the Bosnian Serbs that the United States and its allies would respond with force to their repeated violations of UN resolutions. Backed by this show of military power, the Holbrooke negotiating team achieved its first successes in September 1995, when the parties to the conflict agreed to the creation of a multi-ethnic state in Bosnia and the principles under which that state would be governed. On October 5, the warring parties agreed to end their fighting and meet in the United States for "proximity talks," a negotiating process in which a neutral party conducted individual talks with the combatants, who were housed in close quarters but separate from each other. Richard Holbrooke believed this type of negotiation, successful in facilitating the Camp David Middle East Peace Accords under President Jimmy Carter, would succeed.

The peace talks began at Wright-Patterson Air Force Base near Dayton, Ohio, chosen for its relative isolation, austerity, and its state-of-the-art mapping technology that negotiators believed would be helpful in resolving difficult territorial issues. Negotiators waded through hundreds of pages of proposed agreements drawn up by experts from the Departments of State, Defense, and Treasury, and the National Security Council. Under the supervision of Richard Holbrooke, marathon negotiations went on for over 2 weeks. In the third week, Secretary Christopher returned to Dayton and led a 3-day, around-the-clock negotiating sprint to resolve the critical issues standing in the way of a final settlement. On the morning of November 21, 1995, the Balkan leaders initialed a document entitled the General Framework for Peace in Bosnia-Herzegovina (more commonly known as the Dayton Peace Accords). It included a general statement of principles as well as annexes laying out terms for peaceful and democratic self-rule in Bosnia, prosecution of war criminals, return of refugees, arms control, economic relations, reconstruction, and the creation of a 60,000 NATO force to ensure that the signatories would abide by their agreements. Three weeks later in Paris the parties formally signed the accords, ending the devastating war in Bosnia. (See Document XI-1)

Democratization and Economic Development in Southeast, Central, and Eastern Europe

The Clinton administration worked exhaustively to promote the hard-won peace in Bosnia, fulfilling the basic promise of the 1995 Dayton Accords. Major reconstruction of Bosnia's devastated infrastructure was completed, freedom of movement was restored, and the security situation was stabilized. Progress was made toward accelerating refugee returns and strengthening state institutions, and free, democratic elections advancing political pluralism were held. U.S. efforts to reverse the disruption of "ethnic cleansing" made an impact, witnessed by increases in returns of refugees and internally displaced persons. The administration helped to establish such functioning state institutions as a Constitutional Court, an expanded Council of Ministers, and a State Border Service. And the U.S. commitment to bringing indicted war criminals to justice before the International Criminal Tribunal in The Hague was increasingly fulfilled.

The breakup of Yugoslavia continued to bedevil U.S. policy toward Europe, this time in the province of Kosovo. The Department of State-led diplomacy leading up to the Kosovo conflict failed to deter Yugoslav President Slobodan Milosevic, but laid the groundwork for Allied unity in prosecuting the air campaign that ultimately ended his campaign of terror and ethnic cleansing. U.S. diplomatic efforts were also instrumental in urging Russia and the EU to persuade Milosevic to accept NATO's conditions. When

the air campaign accomplished its goals, the United States and NATO moved quickly to restore order in the province, return displaced Kosovars, and care for the traumatized population. Working closely with its allies and the United Nations, the administration began to build democratic institutions of self-governance in Kosovo and established joint interim governing structures, including representation from minority groups. Almost a million refugees returned to Kosovo, schools were rebuilt, and health services reopened. An independent media was restored. A market economy began to function, and the Kosovo Liberation Army was largely demilitarized. The UN Interim Administration in Kosovo (UNMIK) appointed thousands of international judges and prosecutors and has developed interim governance institutions. In October of 2000, first-ever democratic municipal elections were held, a key step toward establishing responsible and accountable local leadership.

Active U.S. diplomatic efforts coupled with targeted assistance programs helped the people of Croatia and Serbia bring about historic democratic shifts in their countries. Through democratic struggle in both countries, culminating in a popular uprising ousting Milosevic in Serbia in 2000, they clearly chose democracy and a future in Europe over dictatorship and repression. While the Serbian people played the most important role in the election, U.S. support to the opposition and a concerted and effective public diplomacy campaign providing timely and accurate news to the electorate made crucial contributions. The stage was set for Croatia and Serbia's continuing integration into Euro-Atlantic institutions.

In Macedonia, Bulgaria, and Albania, U.S. assistance programs aided pro-Western governments in making tremendous strides in stabilizing and strengthening democratic, pluralist institutions of civil society based on the rule of law. These efforts included pressing forward with economic restructuring and policy reforms, and addressing military restructuring and increasing interoperability and cooperation with NATO forces. Although challenges remained, the countries of Southeastern Europe were working together to achieve the shared goal of full integration into Euro-Atlantic institutions. In 1993, this part of Europe posed the greatest obstacle toward achieving the goal of seeing Europe "whole and free;" 8 years later the countries of this region were ready to be part of that great objective.

During the transition to democracy, U.S. assistance to Eastern Europe provided invaluable seed money and advice to countries struggling to transform their political and economic systems. At the millennium, the results were impressive, with transformation well advanced in many countries. Sharing lessons from the Central European transition experience also promoted regional cohesion and democratic transformations in the Balkans. Eight countries in Central and Eastern Europe graduated from the bilateral assistance programs of the mid-1990s. Three became NATO members. All eight were EU candidate members and partners with the U.S. in consolidating democracy, market reform, and the rule of law throughout the region. Although challenges remained, public diplomacy and other assistance programs continued to lend crucial support in advancing issues and programs crucial in the transition to a civil society.

Through the Stability Pact for Southeastern Europe, established in Sarajevo in 1999, the United States and other donors embarked on a new partnership to stabilize, transform, and integrate the countries of this region into the European and transatlantic

mainstream. What was unimaginable in 1999 was reality only a year later: a cooperative political dynamic was emerging throughout the region; donors pledged \$6 billion in assistance in 2000, including \$2.3 billion in Quick Start projects, several of which were already underway by the end of the Clinton administration. Also, the recent admission of the Federal Republic of Yugoslavia to the Stability Pact was a huge boon to U.S. efforts to promote true integration among the countries of Southeastern Europe.

Enlargement, Adaptation, and Actions of the North Atlantic Treaty Organization (NATO)

With the success of the 50th Anniversary NATO Summit in Washington in April 1999, the United States created an Alliance better prepared for the new century, with new members and stronger partnerships able to respond together to new challenges, while preserving NATO's fundamental purpose of collective defense. (Documents XI-2 and 3)

NATO enlargement was a crucial element of the Clinton administration's strategy to build an undivided, peaceful Europe. In 1997, the Madrid Summit adopted the Open Door Policy toward aspiring members, and 2 years later the Washington Summit welcomed the Czech Republic, Hungary, and Poland as the alliance's first new members since the fall of the Berlin Wall. Through the Membership Action Plan, the United States and NATO helped other countries aspiring to membership to become the best possible candidates.

The administration pursued several initiatives to adapt and prepare NATO for current and future challenges. This included an updated Strategic Concept, a blueprint for a larger, more capable and more flexible alliance committed to collective defense and able to undertake new missions. The U.S. Weapons of Mass Destruction (WMD) Initiative resulted in a new WMD Center at NATO, which boosted the alliance's ability to address the threat from WMD proliferation. The Defense Capabilities Initiative helped to ensure that NATO had the conventional military forces designed and equipped for the full scope of 21st century missions, including crisis response operations. Since the 1994 introduction of the initiative known as the European Security and Defense Identity (ESDI), NATO and the European Union (EU) worked to forge a strategic partnership that promoted substantial improvement in European capabilities and reinforced the European contribution to transatlantic security, while maintaining the primacy of NATO.

NATO also launched the Partnership for Peace, which was open to all European democracies, and subsequently created the Euro-Atlantic Partnership Council as a political framework involving countries, even as far as Kazakhstan, in practical and cooperative efforts to promote security and stability in Europe. (Document XI-4) NATO pursued its goal of deepening Russian cooperation with the alliance on the basis of the 1997 NATO-Russia Founding Act. Through the act's Permanent Joint Council and joint activities in the Balkans, NATO and Russia worked together in practical and constructive ways. The United States and NATO also established a framework for enhanced relations and greater cooperation through a distinctive partnership with Ukraine.

Under U.S. leadership, NATO responded in 1999 with an effective bombing campaign against Serbian forces to stop Milosevic's attempt to brutally suppress and expel the Albanian population of Kosovo. With the withdrawal of Yugoslav forces, the Clinton administration and its NATO allies set out to restore order and stability to

Kosovo. In order to provide the stability necessary for peace to take hold, NATO established guidelines and structures for such missions as the NATO Bosnian peacekeeping force (SFOR) and the Kosovo force (KFOR). In Kosovo and Bosnia, these missions were essential in building civil societies and keeping the peace with Allies and partners, including Russia and Ukraine, as well as other countries from around the world.

The New Transatlantic Agenda: U.S.-EU Relations

The Clinton administration took office in January 1993 concerned about the resilience of U.S.-European ties and the future of the European community. By 2000, the picture had changed dramatically. The European Economic Community had become the European Union (EU) with enhanced powers to implement a common foreign and security policy, develop a single market, strengthen its security capabilities, and negotiate enlargement with 12 candidate countries.

At the same time, U.S.-EU relations grew stronger and more extensive. The driving force of this changed relationship was the New Transatlantic Agenda (NTA) launched in 1995 to give new focus and dynamism to the entire range of U.S.-EU cooperation. The NTA set out four areas for enhanced U.S.-EU relations: promoting peace, stability and democracy, responding to global challenges, expanding world trade, and building bridges of understanding across the Atlantic. (See Document XI-5) By 2000, U.S.-EU cooperation spanned the globe and the transatlantic trade and investment relationship had grown to over \$1 trillion. In the economic area, the United States and the European Union worked together to finalize the Uruguay Round, completed negotiations on Mutual Recognition Agreements, and concluded the Transatlantic Economic Partnership. They also established an early warning mechanism to defuse trade disputes, strengthened cooperation in customs and anti-trust matters, launched the Biotechnology Consultative Forum, and initiated Transatlantic Business, Labor, Consumer, Civil Society and Environmental Dialogues.

Diplomatic cooperation in Southeast Europe with the U.S. partners in the EU was instrumental in bringing about a return to democracy in the former Yugoslavia and the promise of economic recovery and stability throughout the region. In close coordination, the United States promoted political and economic reform in Russia and fostered its integration into the Western community. In 1995, the EU joined the United States in the Korean Peninsula Energy Development Organization (KEDO) to counter the threat of nuclear proliferation. In the realm of global affairs, the two took joint steps to combat trafficking in narcotics and in human beings, fight proliferation of weapons of mass destruction and small arms, develop strategies to deal with communicable diseases, including HIV/AIDS in Africa, and protect the environment.

Although the growing strength of the EU permanently changed the dynamics of the transatlantic relationship, bilateral ties with some of the United States' closest European partners continued to play a crucial role in achieving U.S. policy goals within the EU and vis-à-vis other European countries. To cite one example, with its British allies the United States addressed such diverse challenges as attempting to prevent Saddam Hussein from reconstituting his weapons of mass destruction program, working to bring stability to Sierra Leone, and securing wider European support for Plan Colombia.

Northern Ireland

The Clinton administration helped broker the Good Friday Accord, signed on April 10, 1998, in Belfast, Northern Ireland. The accord provided for an inclusive government in Northern Ireland; constitutional amendments to enshrine the principle of consent with respect to any change in the territorial status of Northern Ireland; new institutions for North/South cooperation on the island of Ireland; safeguards in the areas of human rights and equality of opportunity; decommissioning of paramilitary weapons; normalization of security arrangements; reform of the police and judicial systems; and prisoner releases. The signing of the accord marked the culmination of intense U.S. diplomacy with the British and Irish Governments and the interested political parties, beginning with the President's decision to grant Sinn Fein President Gerry Adams a visa in August 1994, followed by cease-fire declarations by the IRA and Loyalists, and the launching of all-party talks chaired by former Senator George Mitchell in September 1997. (See Document XI-6)

Organization for Security and Cooperation in Europe (OSCE)

The United States helped make the OSCE a more vibrant and effective organization, capable of conflict prevention and mediation, while maintaining its strong program to promote democracy and the protection of human rights. In the 8 years of the Clinton administration, OSCE mounted dozens of election monitoring groups and conflict mediation missions. Examples included border-monitoring missions in Albania and Georgia and elections monitoring missions in Bosnia.

The Clinton administration brokered the deal for Russian forces to withdraw from Moldova, Georgia, Estonia, Latvia, and Lithuania, and U.S. support for creation of OSCE missions in Estonia and Latvia led to the passage and fair implementation by those countries of OSCE consistent legislation affecting their Russian-speaking populations. The United States has also helped develop the "exit strategy" for those missions.

In November 1999, at the OSCE Summit in Istanbul, the United States signed an adapted CFE Treaty and a new Charter for European Security. The charter recognized that building security within societies was as important as security between states, and approved the U.S.-inspired REACT concept to create a systematic civilian rapid reaction capability to respond to such crises. (See Document XI-7)

Holocaust Era Negotiations

The European Bureau supported Under Secretary of State for Economic, Business, and Agricultural Affairs Stuart Eizenstat in dealing with the legacy of the Holocaust beginning with two published interagency reports through agreements on the distribution of gold and other assets looted by the Nazis, agreements with Germany and German companies for compensation for slave and forced labor, and agreements with Swiss banks and insurance companies for return of assets. The Bureau continued to support the process after Eizenstat became Deputy Treasury Secretary in 1999 and was named the Special Representative of the President and Secretary of State for Holocaust Issues. Negotiations with the Austrian government resulted in an agreement on compensation for forced and slave labor, and discussions on property restitution and insurance claims were continuing. The U.S.-supported Vilnius Conference on Looted

Holocaust-Era Assets in September 2000 led to private-sector funding for the cataloguing of Russian archives, which would help Russia to fulfill its promise to find and return suspected looted Jewish art. The administration also pushed for the prosecution of Nazi war criminals in Latvia and Lithuania and worked closely with Sweden and other European nations in promoting international Holocaust education efforts.

Stability, Security, Prosperity in Europe's North Northern Europe Initiative (NEI) and the U.S.-Baltic Charter

The Clinton administration's successful partnerships with the Nordic countries resulted in a successful strategy for the continuing integration of former Soviet states in the Baltic region into Europe and promoted positive cooperation with Russia. U.S. efforts were critical in preventing Baltic-Russian post-independence tensions from spiraling out of control and in ensuring a peaceful transition. An open door approach to democracies contributed to overall security, prosperity, and freedom. Launched in 1997, the NEI mobilized U.S. and European resources and attention for this key part of Europe, established a framework for positive Russian engagement with Baltic and Nordic neighbors, bolstered Baltic EU and NATO membership preparations, and energized U.S. relations with key Nordic partners. The U.S.-Baltic Charter (1998) laid the foundation for a new era in U.S.-Baltic relations based on cultural ties, shared values, and strong U.S. support of Baltic integration into the European mainstream and organizations such as the World Trade Organization (WTO). The success of U.S. policy was visible in the Baltic states' movement toward EU membership and NATO interoperability, growing U.S. investment (over \$2 billion in investments alone in Lithuania) in the region, and an expanding web of regional linkages.

Greece, Turkey, Cyprus

At the end of the Clinton administration, Greek-Turkish relations were the most constructive they had been in decades, supported by vigorous U.S. traditional and public diplomacy, ranging from U.S. diplomatic intervention in 1996 to prevent armed conflict over the Imia/Kardak islets to rapprochement "Track 11" efforts that contributed to a relaxation of tensions and growth of trust. The Clinton administration actively supported Turkey's bid to join the EU, resulting in Turkey becoming a formal candidate in 1999.

The administration also pursued a broad agenda with Turkey, including human rights, energy, trade, and security, and intensified its security and economic relationship with Greece. It facilitated a resumption of UN-led Cyprus settlement negotiations. Extensive U.S. efforts sustained five rounds of proximity talks from December 1999 to the end of the administration.