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BOSNIA PEACE
OPERATION

Progress Toward the
Dayton Agreement's
Goals—An Update

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to provide our evaluation of international efforts to promote an enduring peace in Bosnia and Herzegovina through the implementation of the 1995 Dayton Agreement. My statement is based on (1) our May 1997 report on the Bosnia peace operation,¹ which provided the results of two visits to Bosnia in July and December 1996, and (2) information on evolving issues and progress we obtained during a visit to Bosnia in June 1997.

Summary

The internationally-supported peace operation in Bosnia, part of a longer-term peace process, has helped that country take important first steps toward achieving the Dayton Agreement's goals. The North Atlantic Treaty Organization (NATO)-led forces have sustained an environment without active military hostilities. This has provided time for the peace process to move forward, and has allowed the implementation of the agreement's civil aspects to begin. Progress has been made in establishing some political and economic institutions, and economic recovery has started in the Federation. Nevertheless, the transition to a unified, democratic government that respects the rule of law has not occurred, due principally to the failure of Bosnia's political leaders to fulfill their obligations under the Dayton Agreement and to promote political and social reconciliation. Despite the Dayton Agreement, many Bosnian Serb and Croat political leaders still embrace their wartime aims of controlling their own ethnically pure states separate from Bosnia. Bosnian Muslims, known as Bosniaks, continue to support a unified, multiethnic state, but, according to some analysts, with the Bosniaks in control.

Very few refugees and displaced persons have crossed ethnic lines to return to their prewar homes, primarily due to resistance from political leaders of all three major ethnic groups. Further, according to human rights reports, Bosnians of all three ethnic groups could not freely cross ethnic lines at will or remain behind to visit, work, or live without facing harassment, intimidation, or arrest by police of other ethnic groups. Essentially, true freedom of movement across ethnic boundaries does not yet exist. Similarly, Bosnia's political leaders from all sides have often blocked efforts to link their ethnic groups politically or economically. Virtually all of the limited progress on the civil aspects has resulted from strong international pressure on these often resistant political leaders. As

¹Bosnia Peace Operation: Progress Toward Achieving the Dayton Agreement's Goals (GAO/NSIAD-97-132, May 5, 1997).

one international official noted, the Bosnia peace process remains driven from the outside rather than from within.

During our June 1997 visit, nearly every international and U.S. official with whom we spoke, including senior NATO officers, were adamant that Radovan Karadzic, a Bosnian Serb who was indicted by the war crimes tribunal, must be arrested or otherwise removed from Bosnia. Most were unequivocal on this matter, and stated that he retains political power and influence over political figures in Republika Srpska, the Bosnian Serb entity. So far, according to these officials, he has seen fit to block every significant move toward reconciliation.

Other key issues identified as being critically important to the Dayton Agreement's success include the municipal elections scheduled for September 13 and 14, 1997, specifically the potentially contentious installation of some newly-elected municipal governments; the outcome of the arbitration decision concerning which ethnic group will control the strategically important city of Brcko in Republika Srpska; and the issue of whether an international military force, including the U.S. military, should remain in Bosnia after the current NATO-led mission ends in June 1998.

I should note that our field work in Bosnia was completed before the recent political crisis in Republika Srpska, and my statement does not address this issue. However, even if President Plavsic wins the political struggle with more hardline Bosnian Serb political leaders, we believe that full implementation of the Dayton Agreement—in other words, full political and social reconciliation in Bosnia—will remain a long and difficult process.

The executive branch initially estimated that U.S. military and civilian participation in Bosnia would cost about \$3.2 billion through fiscal year 1997. The total estimated cost for U.S. participation in the operation has since risen to \$7.8 billion. The increase is primarily due to the December 1996 decision to extend the presence of U.S. forces in and around Bosnia until June 1998.

Progress Toward Achieving the Dayton Agreement's Goals

I will briefly review, and in some cases update, our report's findings on progress made in achieving the Bosnia peace operation's four key objectives. These objectives were to (1) provide a secure environment for the people of Bosnia; (2) create a unified, democratic Bosnia that respects the rule of law and internationally recognized human rights, including

cooperating with the war crimes tribunal in arresting and bringing those charged with war crimes to trial; (3) ensure the rights of refugees and displaced persons to return to their prewar homes; and (4) rebuild the economy.

Progress in Providing a Secure Environment

The Bosnian people are more secure today than before the Dayton Agreement was signed. Bosnia's Serb, Croat, and Bosniak armies have observed the cease-fire, allowed NATO's Implementation Force and later the Stabilization Force, known as SFOR, to monitor their weapons sites and troop movements, and have reduced their force levels by a combined total of 300,000. The U.S.-led "train and equip" program intended to help stabilize the military balance in the region and integrate the Bosniak and Bosnian Croat armies into a unified Federation army is progressing, albeit slower than anticipated.

Nonetheless, Bosnian Serb political leaders have not fully lived up to arms reduction agreements. According to a State Department official, the United States could increase assistance under the Federation train and equip program to provide a military balance if the Bosnian Serbs do not comply with the arms control agreements. Bosnian Croat and Bosniak political leaders have made some progress in reforming their civilian police so that they provide security for Bosnians of all ethnic groups and do not commit human rights abuses; however, Bosnian Serb political leaders have refused to cooperate with the International Police Task Force (IPTF) in reforming their police force in accordance with democratic policing standards. Moreover, many international observers, including some in the State Department, believe that keeping an international military force in place is still the only deterrent to major hostilities in Bosnia.

Progress in Developing a Unified, Democratic Bosnia

A unified, democratic state that respects the rule of law and adheres to international standards of human rights has yet to be achieved. Elections for institutions of Bosnia's national and two entity governments (Republika Srpska and the Federation) were held in September 1996, and many national joint institutions intended to unify Bosnia's ethnic groups have met at least once. However, most of these institutions are not yet functioning; Bosnia's three separate, ethnically-based armies continue to be controlled by their wartime political leaders; and many Bosnian Serbs and Croats and their political leaders retain their wartime goal of establishing ethnically pure states separate from Bosnia. Moreover, the

human rights situation worsened in the months after the election, particularly in Bosnian Serb-controlled areas. And ethnic intolerance remains strong throughout Bosnia, in large part because Bosnia's political leaders control the media and use it to discourage reconciliation among the ethnic groups.

Additionally, as of July 10, 1997, 66 of the 74 people² publicly indicted by the war crimes tribunal remained at large, some openly serving in official positions and/or retaining their political power. While the Bosniaks had surrendered all indicted war criminals in their area of control to the war crimes tribunal, Bosnian Serbs and Croats had not surrendered to the tribunal any indicted war criminals in their areas. U.S. and other officials view progress on this issue as central to the achievement of the Dayton Agreement's objectives.

On July 10, 1997, NATO-led troops in Bosnia for the first time attempted to arrest people indicted for war crimes, specifically two Bosnian Serb suspects who had been charged under a sealed indictment for complicity with commitment of genocide. British SFOR soldiers arrested one suspect and, in self-defense, shot and killed the other after he fired at them. U.S. officials have stated that this action does not represent a change in policy regarding SFOR's mandate to apprehend indicted war criminals. The policy remains that SFOR troops will arrest indicted war criminals when they come upon them in the normal course of their duties if the tactical situation allows.

Progress in Returning Refugees and Displaced Persons

Despite guarantees in the Dayton Agreement and extensive international efforts to resolve the issue, the return of refugees and displaced persons to their homes has barely begun in Bosnia. The returns that did take place in 1996 and 1997 were mainly people going back to areas controlled by their own ethnic group because returns across ethnic lines proved nearly impossible. Of the estimated 2 million people who were forced or fled from their homes during the war, in 1996 about 252,000 returned home (88,000 refugees and 164,000 displaced persons), while at the same time over 80,000 others fled or were driven from their homes. Almost all of these people returned to areas in which they would be in the majority ethnic group. For 1997, the United Nations High Commissioner for Refugees (UNHCR) decided to give priority to majority returns and

²These figures do not include one person who was indicted by and surrendered to the war crimes tribunal but who was released by the tribunal for humanitarian reasons and later died. Also, other people not included in these figures have been indicted by the war crimes tribunal under sealed indictments.

projected that 200,000 refugees would return to their homes, all to majority areas.³ As of March 1997, the pace of refugee returns exceeded UNHCR's target as about 17,000 refugees returned to Bosnia. In mid-June 1997, however, UNHCR officials in Bosnia told us that this pace had recently fallen off,⁴ and, if the current trend continued, the number of refugee returns for 1997 would be lower than projected.

A number of factors have combined to hinder returns, such as fear, stemming from lack of personal security; violence triggered by attempted cross-ethnic returns; poor economic prospects; and lack of suitable housing. Further, political leaders of all ethnic groups have used nonviolent means to resist returns, including the retention of existing, discriminatory property laws and continuing other policies that place insurmountable barriers to returns. For example, according to UNHCR officials, Bosnian Croat political leaders, as directed by Croatia, have moved 5,000 to 6,000 displaced persons—including Bosnian Croat army members and their families—into the formerly Serb-populated city of Drvar, a policy designed to prevent Serbs from returning and to cement the ethnic separation of Bosnia. This policy has been implemented by all three ethnic groups during and after the war.

Recent efforts to address the return problem involved many aspects of the Bosnia peace operation. For example, in spring 1997 UNHCR, with support from the U.S. government, announced the "Open Cities" project that is designed to provide economic incentives to those areas that welcome and actively integrate refugees and displaced persons into local communities. In April, the Federation refugee minister provided UNHCR with a list of 25 cities and towns for participation in the project. As of mid-June 1997, UNHCR was evaluating the level of commitment of these and other communities that had indicated an interest in the project. According to a United Nations official, in early June the Republika Srpska Minister of Refugees was going to submit a list of nine cities in Republika Srpska that wanted to take part in the project. At the last minute, however, the minister was directed not to participate by Radovan Karadzic, who effectively retains control of Republika Srpska.

According to a State Department official, the U.S. embassy and UNHCR in early July 1997 officially recognized the first three communities to receive assistance under the "Open Cities" project. The U.S. government is also

³According to a UNHCR official, UNHCR has no estimates for returns of displaced persons in 1997; however, it has an informal target of 20,000-30,000 returns of displaced persons for the year.

⁴According to a UNHCR official, 23,000 refugees had to returned to Bosnia from January through May 1997. This is much lower than UNHCR's target of about 57,000 refugee returns for that period.

funding minority return programs in two other communities. Of these five communities, three are in Bosniak-controlled areas, one is in a Bosnian Croat-controlled area, and one is in Republika Srpska.

Progress in Rebuilding the Economy

Economic conditions have improved somewhat since the end of the war, particularly in the Federation. Economic reconstruction has begun, and about \$1.1 billion in international assistance was disbursed in 1996 as part of the 3- to 4-year reconstruction program.⁵ Most of this money has gone to the Federation. The U.S. government, primarily through the U.S. Agency for International Development (USAID), committed \$294.4 million during the program's first year. This money went to, among other things, repair municipal infrastructure and services, provide small business loans, and give technical assistance for the development of national and Federation economic institutions. By the end of 1996, there were many signs of economic recovery, primarily in the Federation.

At the end of 1996, however, economic activity was still at a very low level, and much reconstruction work remained to be done. Furthermore, many key national and Federation economic institutions—such as Bosnia's central bank—were not yet fully functioning. The biggest obstacle to progress in economic reconstruction and economic institution building has been the lack of cooperation among Bosnia's political leaders in implementing infrastructure projects and economic institutions that would unite the ethnic groups within the Federation and across the two entities.

The international community has made many attempts to use economic assistance to encourage compliance and discourage noncompliance with the Dayton Agreement.⁶ For example, during 1996, according to a State Department official, all major bilateral donors had withheld economic assistance from Bosnian Serb-controlled areas because Bosnian Serb political leaders failed to comply with key human rights and other provisions of the Dayton Agreement. Further, on May 30, 1997, the Steering Board of the Peace Implementation Council, the organization that provides political guidance for the civilian aspects of the operation,

⁵To support these goals, the government of Bosnia, with the assistance of the World Bank, the European Commission, the European Bank for Reconstruction and Development, and other international agencies and organizations, designed a 3- to 4-year, \$5.1-billion Priority Reconstruction Program. This program provided the international community with the framework for the economic reconstruction and integration of Bosnia. Fifty-nine donors—48 countries and 11 organizations—pledged \$1.9 billion for the 1996 economic reconstruction program.

⁶The Congress has placed conditions on some U.S. assistance. See, for example, Public Laws 104-107, section 584; 104-122; and 104-208, section 101(c), Title II.

reiterated previous Council statements on this issue, tied assistance for housing and local infrastructure to acceptance of returns, and gave priority to UNHCR's "Open Cities" project.

Moreover, an international donors' conference, originally planned to be held at the end of February 1997, was postponed because Bosnia's council of ministers had not yet adopted key economic laws. On June 19, 1997, the donors' conference was again postponed because the government of Bosnia, although it had made progress in passing economic laws, had not made sufficient progress toward developing an economic program with the International Monetary Fund. As of July 15, 1997, the donors' conference had not been rescheduled.⁷

Some international officials in Bosnia have questioned the effectiveness of threatening to withhold economic assistance from Bosnian Serb- and Croat-controlled areas in this conditional manner, partly because these areas have received little international assistance to date.⁸ According to a State Department official, when the U.S. government decided on its conditionality policy toward Republika Srpska, it knew from analysis that there would be no quick results from the denial of this assistance.

State now believes there is increasing evidence that elected officials of Republika Srpska are under mounting political pressure to make the necessary concessions to qualify for reconstruction assistance. In March 1997, State and USAID officials told us that some Bosnian Serb political leaders, including the President of Republika Srpska, had shown a willingness to accept economic assistance that includes conditions such as employing multiethnic work forces. These leaders, according to State, are willing to accept conditional assistance because they see the growing gap in economic recovery between the Federation and Republika Srpska. As of July 1997, there were no tangible results in this area, primarily because attempts to work with these leaders were blocked by Radovan Karadzic.

Issues Emphasized During June 1997 Visit to Bosnia

During our June 1997 visit to Bosnia, numerous U.S. and international officials involved in trying to help implement the Dayton Agreement emphasized four areas as being critically important to the agreement's success: (1) the urgent need to arrest Radovan Karadzic; (2) the upcoming

⁷According to a State Department official, the International Monetary Fund favors holding the conference the week of July 21, 1997, but the date may slip to July 28 or 29, 1997.

⁸According to State officials, Bosnian Croat-controlled areas received little economic assistance to date because they suffered little war damage.

municipal elections, specifically the potentially contentious installation of municipal governments in areas that had a different ethnic composition before the war; (3) the outcome of the arbitration decision over control of Brcko; and (4) the need for a continued international military force, along with a U.S. component, in Bosnia after SFOR's mission ends in June 1998.

Urgency of Arresting Radovan Karadzic

As we previously reported, in 1996 and 1997 the international community made some attempts to politically isolate Karadzic and remove him from power. For example, under pressure from the Organization for Security and Cooperation in Europe (OSCE) and the international community, Karadzic stepped down as the head of the ruling Bosnian Serb political party on July 18, 1996.

According to international observers, however, these efforts to remove Karadzic from power did not work; instead, he has effectively retained his control and grown in popularity among people in Republika Srpska. U.S. Information Agency polls showed that between April 1996 and January 1997, the percentage of Bosnian Serbs who viewed Karadzic very favorably increased from 31 percent to 56 percent, and the percentage who viewed him somewhat favorably or very favorably rose from 68 percent to 85 percent.

During our June 1997 field work in Bosnia, many officials with whom we spoke were unequivocal in their opinion that Radovan Karadzic must be arrested or otherwise removed from the scene in Bosnia as soon as possible. They told us that Karadzic, a leader who is not accountable to the electorate, is blocking international efforts to work with the more "moderate" Bosnian Serb political leaders in implementing the Dayton Agreement. For example, he has not allowed other political leaders, including elected ones, to abide by agreements they have made with the international community on small-scale attempts to link the ethnic groups politically or economically. Observers also told us that Karadzic still controls Republika Srpska police and dominates Bosnian Serb political leaders through a "reign of terror."

According to a U.S. embassy official, the arrest of Karadzic is a necessary—but insufficient—step to allow Dayton institutions to function effectively and to encourage more moderate Bosnian Serbs to begin implementing some provisions of the Dayton Agreement. Although the arrest alone would not assure full implementation of Dayton, without the arrest Dayton would have almost no chance to succeed.

Issues Related to Municipal Elections

Bosnia's municipal elections are scheduled to be held on September 13 and 14, 1997. OSCE and other officials with whom we spoke were concerned about the volatile environment that will likely surround the installation of some newly-elected municipal governments, specifically those in municipalities that had a different ethnic composition before the war. Because people will be able to vote where they lived in 1991, the election results in such municipalities could be very difficult to implement. For example, it is possible that a predominantly Bosniak council could be elected to Srebrenica, a city that had a prewar Bosniak-majority population but was "ethnically cleansed" by Serbs in 1995; and Bosnian Serbs could win the majority on the municipal council of Drvar, a town with a predominantly Serb majority before and during much of the war but now populated in large part by Bosnian Croats.

To address these potential "hotspots," an interagency working group led by OSCE is developing an election implementation plan for the municipal elections. An early version of this plan calls for a final certification that confirms which municipal councils have been duly installed by the end of 1997.⁹ This plan recognizes that candidates who win office must be able to travel to municipal council meetings and to move about their municipality without fear of physical attack or intimidation. It calls for local police to provide security for council members and for IPTF and SFOR to supervise the development of the security plan and, together with OSCE and other organizations, monitor its implementation.

According to OSCE and SFOR officials, SFOR's current force level of 33,000 will be augmented by 4,000-5,000 troops in Bosnia around the time of the municipal elections; it is unclear, however, what SFOR's force levels will be during the potentially contentious installation period. To support the augmentation, as of July 10, 1997, the Department of Defense (DOD) planned to increase the number of U.S. troops in Bosnia from about 8,000¹⁰ to about 10,250 during August and September 1997. According to a DOD official, on October 1, 1997, SFOR troop levels would be drawn down to either the current force level or a lower number, depending on decisions that may be reached before that date. OSCE and other officials in Bosnia

⁹This plan calls for a two-step certification process for the election: a technical certification of the final election numbers and the final certification, on a municipality-by-municipality basis, confirming which municipal councils have been duly installed. The election process will close by the end of 1997. It will be followed by a post-election period during which an interagency monitoring and reporting structure would continue to monitor the proper functioning of municipal assemblies to ensure that elected candidates are able to carry out their duties as envisioned by the Dayton Agreement.

¹⁰As of July 6, 1997, an additional 2,600 U.S. military personnel were also deployed to Croatia, Italy, and Hungary, in support of SFOR.

told us that a further drawdown of SFOR below its current force level should not occur until the end of the installation process.

Outcome of Brcko Arbitration

Many international observers in Bosnia told us that the final arbitration decision on which ethnic group will control Brcko will likely be a major determinant of the ultimate success or failure of the Dayton Agreement. This decision will not be made until March 1998 at the earliest. Without a final decision, an interim supervisory administration will remain in Brcko. In June 1997, the High Representative, the coordinator of the civilian aspects of the peace operation, stated that Brcko will signal to the rest of the world the extent to which progress is being made in the implementation of the Dayton Agreement.

First, some background on the Brcko arbitration process. At Dayton, Bosnia's political leaders were unable to agree on which ethnic group would control the strategically important area in and around the city of Brcko. The Dayton Agreement instead called for an arbitration tribunal to decide this issue. At the end of the war, Brcko city was controlled by Bosnian Serb political leaders and populated predominately by Serbs due to "ethnic cleansing" of prewar Muslims and Croats, who had then accounted for about 63 percent of the city's population, and settlement of Serb refugees there. We were told that an arbitration decision that awarded control of the area to either the Bosniaks or Bosnian Serbs¹¹ would lead to civil unrest and possibly restart the conflict because the location of Brcko makes it vitally important to both parties' respective interests.

In February 1997, the arbitration tribunal¹² decided to postpone a final decision as to which of the parties would control Brcko. Instead, the tribunal called for the designation of a supervisor under the auspices of the Office of the High Representative, who would establish an interim supervisory administration for the Brcko area. The tribunal decision noted that (1) the national and entity governments were not sufficiently mature to take on the responsibility of administering the city and (2) Republika Srpska's disregard of its Dayton implementation obligations in the Brcko area had kept tensions and instability at much higher levels than expected.

¹¹The parties to the arbitration are Bosnia's two entities, the Federation and Republika Srpska.

¹²The tribunal consisted of three members—an American, a Bosnian Serb, and a Bosniak. The American arbitrator was selected by the President of the International Court of Justice and was granted authority to issue rulings on his own, including a final award, if the tribunal could not reach consensus. Only the American member of the tribunal signed the decision.

On March 7, 1997, the Peace Implementation Council Steering Board announced that the High Representative had appointed a U.S. official as Brcko supervisor, and the interim supervisory administration began operating on April 11, 1997.¹³

The interim administration was designed to supervise the implementation of the civil provisions of the Dayton Agreement in coordination with SFOR, OSCE, IPTF, and other organizations in the Brcko area: specifically, it was to allow former Brcko residents to return to their homes, provide freedom of movement and other human rights throughout the area, give proper police protection to all citizens, encourage economic revitalization, and lay the foundation for local representative democratic government.

According to the Brcko supervisor, known as the Deputy High Representative for Brcko, the implementation process has just begun. The Deputy High Representative and his staff have been working hard and are developing a plan to return refugees and displaced persons in a phased and orderly manner, but progress will take a long time and be difficult. From January 1, 1997, through June 17, 1997, only 159 displaced families from the Bosnian Serb-controlled area of Brcko had returned to their prewar homes; all of these homes are located in the zone of separation. We were told that as many as 30,000 Bosniaks and Bosnian Croats were driven from their homes in what is now Serb-controlled Brcko. Further, freedom of movement does not yet exist in the area, primarily due to the fear that Bosniak and Bosnian Serb police have instilled in people from other ethnic groups. As in other parts of Republika Srpska, Bosnian Serb political leaders refuse to cooperate with IPTF in restructuring their police in accordance with democratic policing standards. And the Deputy High Representative told us that he has no "carrots or sticks" either to reward compliance or punish non-compliance of the parties, particularly the Bosnian Serbs.

Brcko has also experienced implementation problems related to the upcoming municipal elections that go beyond those of other areas of Bosnia. For example, in June 1997 OSCE took action after it investigated cases of alleged voter registration fraud by Bosnian Serbs in Brcko. After finding that Bosnian Serbs were engaging in wholesale fraud, OSCE attempted to correct the situation by (1) firing the chairmen of the local election commission and voter registration center, (2) reregistering the entire Brcko population and political candidates, and (3) suspending and

¹³While the city of Brcko, the subject of the arbitration dispute, is located in Republika Srpska, the Brcko Supervisor's area of responsibility covers almost all of Brcko municipality, which extends across the interentity boundary line into the Federation.

later reopening and extending voter registration there, which ultimately ran from June 18 to July 12, 1997.

The interim supervisory administration is scheduled to operate for at least 1 year. The arbitration tribunal may make a further decision on the status of the Brcko area by March 15, 1998, if the parties request such action between December 1, 1997, and January 15, 1998.

Need for a Continued Military Presence in Bosnia

In December 1996, the North Atlantic Council, the body that provides political guidance to NATO, concluded that without a continuation of a NATO-led force in Bosnia, fighting would likely resume. Thus, NATO that month authorized a new 18-month mission, SFOR, which is about half the size of the previous Implementation Force. SFOR's mission is scheduled to end in June 1998. According to the SFOR operation plan, the desired NATO end state is an environment adequately secure for the "continued consolidation of the peace" without further need for NATO-led military forces in Bosnia. The plan lists four conditions that must be met for the desired end state objective to be realized:

- The political leaders of Bosnia's three ethnic groups must demonstrate a commitment to continue negotiations as the means to resolve political and military differences.
- Bosnia's established civil structures must be sufficiently mature to assume responsibilities for ensuring compliance with the Dayton Agreement.
- The political leaders of Bosnia's three ethnic groups must adhere on a sustained basis to the military requirements of the Dayton Agreement, including the virtual absence of violations or unauthorized military activities.
- Conditions must be established for the safe continuation of ongoing, nation-building activities.

The SFOR operation plan asserts that these objectives will be achieved by June 1998. However, international officials in Bosnia recently told us that the likelihood of these end-state objectives being met by June 1998 is exceedingly small. They based this projection on their assessments of the current pace of political and social change in Bosnia.

In their view, an international military force would be required after June 1998 to deter renewed hostilities after SFOR's mission ends. They said that to be credible and maintain international support, the force must be

NATO led and include a U.S. military component, and it must be based in Bosnia rather than “over the horizon” in another country.

Many participants of the operation told us that without the security presence provided by such a follow-on force to SFOR, their organizations would be unable to operate in Bosnia; a U.N. official said that IPTF—which consists of unarmed, civilian police monitors—could not function and would leave Bosnia under those conditions. As one international official put it, the follow-on force—including a U.S. military presence—needs to be “around the corner” rather “over the horizon” to provide the general security environment in which the rest of the peace process could move forward.

U.S. Costs and Commitments Exceed Initial Estimates

The executive branch initially estimated that U.S. military and civilian participation in Bosnia would cost about \$3.2 billion through fiscal year 1997: \$2.5 billion in incremental costs for military-related operations and \$670 million for the civilian sector.¹⁴ These estimates assumed that U.S. military forces would be withdrawn from Bosnia when the mission of NATO’s Implementation Force ended in December 1996.

The executive branch’s current cost estimate for fiscal years 1996 and 1997 is about \$5.9 billion: about \$5.0 billion in incremental costs for military-related operations and about \$950 million for the civilian sector. Almost all of the increase was due to the decision to extend the U.S. military presence in and around Bosnia through June 1998. In fiscal year 1998, the United States plans to commit about \$1.9 billion for the Bosnia peace operation: about \$1.5 billion for military operations¹⁵ and \$371 million for civilian activities.

Under current estimates, which assume that the U.S. military participation in Bosnia will end by June 1998, the United States will provide a total of about \$7.8 billion for military and civilian support to the operation from fiscal years 1996 through 1998. Some State and Defense Department officials agreed that an international military force will likely be required

¹⁴DOD costs are incremental costs; that is, they are costs that would not have been incurred if it were not for the Bosnia operation. For a more detailed discussion of DOD’s costs estimates and costs see *Bosnia: Costs Are Uncertain but Seem Likely to Exceed DOD’s Estimate* (GAO/NSIAD-96-120BR, Mar. 14, 1996); and *Bosnia: Costs Are Exceeding DOD’s Estimate* (GAO/NSIAD-96-204BR, July 25, 1996).

¹⁵DOD estimated its costs could increase by about \$160 million if the U.S. maintained an 8,500 force level through June 1998, rather than being drawn down to 5,000 on October 1, 1997, as assumed in current cost estimates.

in Bosnia after June 1998. U.S. participation in such an effort could push the final cost significantly higher than the current \$7.8 billion estimate.

Mr. Chairman and members of the subcommittee, this concludes my prepared remarks. I would be pleased to respond to any questions you may have.

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