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NATO Burdensharing and Kosovo: A Preliminary Report

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ABSTRACT

On March 24, 1999, NATO launched *Operation Allied Force* against Yugoslavia. *Allied Force*, conducted almost entirely from the air, was intended to halt Yugoslavia's brutal, systematic expulsion of ethnic Albanians from Kosovo. The air war continued until June 10, when Belgrade capitulated. Each NATO country that participated in *Allied Force* was responsible for funding its own armed forces. U.S. aircraft flew the majority of missions, and U.S. policymakers have argued that the United States paid too large a share of the conflict's cost. The international effort to bring peace and stability to Kosovo, however, was more than just an offensive military operation. Peacekeeping activities, humanitarian relief, refugee assistance, and reconstruction aid will likely total in the billions of dollars, and European nations have stated they intend to play a leading role. There is no single source of consistent data on how much each NATO member state contributed to the military and non-military activities related to Kosovo. To gain an approximate idea of relative costs, CRS contacted the embassies of NATO member states and requested they provide their expenditures associated with Kosovo. Other data in the report have been derived from pledges announced at two donor conferences held in Brussels. It should be emphasized that, unless and until more complete information becomes available, the numbers presented in this report should be regarded only as rough guides to contributions. This report will be updated as CRS receives additional information.

NATO Burdensharing and Kosovo: A Preliminary Report

Summary

On March 24, 1999 the North Atlantic Treaty Organization (NATO) launched *Operation Allied Force* against the Former Republic of Yugoslavia. The military operation, which the alliance conducted almost entirely from the air, was intended to finally put a halt the Yugoslav government's brutal, systematic expulsion of ethnic Albanians from Kosovo, a province of Serbia. The air war continued until June 10, when Belgrade capitulated to allied demands.

Allied Force was not paid for by a "NATO" budget. As in NATO exercises over the past decades, each country that participated in *Allied Force* was responsible for the expense of equipping and employing its own armed forces. U.S. aircraft flew the majority of the combat, intelligence, and support missions. Many U.S. policymakers have argued that the United States paid too large a share of the conflict's cost.

The international effort to bring peace and stability to Kosovo, however, was more than just an offensive military operation. Peacekeeping activities, humanitarian relief, refugee assistance and reconstruction aid, in the form of bilateral, multilateral, and private donations, will likely total in the billions of dollars over the long term, and the European nations have indicated that they intend to play a leading roll.

There is no single, definitive source of consistent data on how much each NATO member state contributed to the various military and non-military activities related to Kosovo. To gain an approximate idea of relative costs, CRS contacted the embassies of NATO member states and requested that they provide their expenditures associated with Kosovo. Other data in the report have been derived from pledges announced at the donor conferences that were held in July and November 1999 in Brussels.

It should be emphasized that, unless and until more complete information becomes available, the numbers presented in the summary table at the conclusion of this report should be regarded only as a rough guide to contributions. Any comparison of these data can only be tentative, primarily because of the countries' different national accounting practices. In addition, these numbers should not simply be added together to reach a total, as they often cover different time periods.

This report was coordinated by Carl Ek of the Foreign Affairs, Defense, and Trade Division (FDT) of CRS; other FDT contributors include: Steven Bowman (allied defense spending), Lois McHugh (refugee assistance), Curt Tarnoff (reconstruction), and Steven Daggett (U.S. defense budget). The report will be updated as CRS receives additional information.

Contents

Introduction	1
Methodology	3
Costs of Military Operations	4
Non-military Initiatives	7
NATO Humanitarian Assistance to Kosovo	7
Reconstruction and Development Assistance	12
Conclusions	13

List of Tables

Table 1. Incremental Costs of U.S. Kosovo-Related Military Operations, FY1999	5
Table 2. Estimated NATO Member State Contributions to Kosovo Crisis	14

NATO Burdensharing and Kosovo: A Preliminary Report

Introduction

On March 24, 1999, the North Atlantic Treaty Organization (NATO) launched *Operation Allied Force*, the first combined military action in the alliance's 50-year history. In an effort to halt the Yugoslav government's brutal, months-long ethnic cleansing campaign against ethnic Albanians in Kosovo province, NATO aircraft struck military targets in all regions of the country—Serbia, Kosovo, Voivodina, and Montenegro.¹

When Belgrade finally capitulated and the air war was halted 78 days later, NATO aircraft had flown more than 37,000 sorties, of which 23,000, or 62%, were made by American aircraft. The U.S. Department of Defense also stated that U.S. planes flew the majority of intelligence (79%) and support (65%) missions for the Kosovo operation.²

NATO, as an organization, did not pay for *Operation Allied Force*; that is, the costs incurred were *not* financed by the alliance's three common budgets.³ As has been the case in NATO exercises over the past five decades, each country that participated in *Operation Allied Force* was responsible for the expense of equipping and employing its own armed forces; in other words, those costs were paid for by the national budgets of member states.

Operation Allied Force was predominately an air operation, with some naval support. Because the alliance wished to minimize civilian casualties, NATO preferred to use high-tech, precision-guided ordnance — including cruise missiles and so-called “smart bombs.” Since the United States is the only alliance nation that possesses significant stockpiles of such weapons (most of which are far more expensive than conventional gravity bombs) U.S. aircraft conducted the majority of the attack sorties.

¹For background and a discussion of political issues, see: U.S. Library of Congress. Congressional Research Service. *Kosovo and U.S. Policy*. By Steven Woehrel and Julie Kim. CRS Issue Brief IB98041. [updated regularly]

²U.S. Library of Congress. Congressional Research Service. *Kosovo: U.S. and Allied Military Operations*. By Steve Bowman. CRS Issue Brief IB10027. p. 5. [updated regularly].

³For a description of NATO's common budgets, see: U.S. Library of Congress. Congressional Research Service. *NATO Common Funds Burdensharing: Background and Current Issues*. By Carl W. Ek. CRS Report RL30150. Updated April 27, 1999.

Also, NATO command selected targets largely on the basis of information gleaned from U.S. intelligence sources.⁴

Given this extensive use of U.S. military resources, many U.S. policymakers have raised the issue of allied burdensharing. Indeed, some observers speculate that the manner in which the allies shares costs for the Kosovo operation in its entirety may affect future European security issues, such as the next round of NATO enlargement.⁵

The purpose of the air attacks in the former Yugoslavia was not simply to inflict unacceptable losses on the enemy and compel surrender. Instead, the cessation of hostilities was made contingent upon Serbian agreement to several interrelated political conditions. In early May, while the bombing campaign was still underway, the G-8 group of leading industrial states (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States, plus Russia) agreed upon several objectives: an end to Serb military actions in Kosovo; the withdrawal of Serb forces from Kosovo; the insertion of a U.N.-approved peacekeeping contingent; U.N.-approved interim international administration of the province; refugee repatriation and safe access for aid organizations; and economic redevelopment as well as a degree of autonomy for Kosovo within the former Yugoslavia.

The Kosovo crisis, therefore, has had several components, both military and non-military. In addition to *Allied Force*, allied armed forces participated in two other major efforts: *Operation Allied Harbor* (aid to Kosovar refugees in Macedonia and Albania), and *Operation Joint Guardian* (peacekeeping operations in Kosovo, also known by the acronym KFOR). Non-military undertakings also have encompassed a wide range of activities, including humanitarian aid, refugee assistance, institution building (training in the general areas of justice and governance), and reconstruction.

Some Members of Congress have voiced concern that the large U.S. outlays for Kosovo are diverting funding from armed forces readiness and equipment procurement. Many have adamantly stated that Europe should assume a greater share of costs for subsequent operations. The Clinton Administration has announced its agreement with this principle. Secretary of State Madeleine Albright indicated in early June that Europe should pay the majority of reconstruction costs, and, in a speech on June 10, President Clinton said that "our European partners must provide most of the

⁴Some analysts argue that this imbalance in technological capabilities is a result of the large disparity between the amount of funds that the United States and Europe devote to research and development, and are concerned that it may lead to (or in effect already constitutes) a "two-tiered" alliance of powers of greater and lesser capabilities. For more on this issue, see: War Showed U.S.-Allied Inequality. By William Drozdiak. *Washington Post*. June 28, 1999. p. A1. And: After Kosovo, European Allies Discuss Modernizing Forces. By Elizabeth Becker. *New York Times*. September 22, 1999. p. A11. And: Is More Fancy Weaponry Really What the Alliance Needs? By Flora Lewis. *International Herald Tribune*. September 24, 1999.

⁵For a discussion of this issue, see: U.S. Library of Congress. Congressional Research Service. *NATO: Congress Addresses Expansion of the Alliance*. By Paul E. Gallis. CRS Report RL30192. May 24, 1999.

resources” for restoring peace in Kosovo.⁶ And the NATO allies appear to concur. The *Washington Post* in June reported that “European leaders, embarrassed by U.S. domination of the air war and the fact that the United States again took the lead in quelling a European conflict, vowed to carry their share of the burden in bringing a program of reconstruction to Kosovo and the rest of the Balkans.”⁷

This CRS report, accordingly, examines the question of burdensharing based upon *total* contributions to meeting the international community’s policy objectives in Kosovo. It considers not only outlays for military actions, but also expenditures for humanitarian and redevelopment assistance. This is consonant with recent approaches to defense burdensharing; over the past decade, the term “security” has been redefined to encompass more than simply military matters. Many policymakers now accept the thesis that national and regional security may be enhanced through economic and humanitarian assistance, as well as through the deployment of armed forces.⁸ The Defense Department’s annual burdensharing report notes: “For the last three years, ... Congress has recognized that there are multiple and diverse ways in which allies may share the responsibility for achieving mutual security objectives.”⁹

Methodology

The data in this report are based primarily upon information that CRS gathered, over a three-month period, from the Washington embassies of NATO member states (several embassies did not respond to CRS’ request for information). In compiling and attempting to correlate these numbers, some difficulties have arisen. For example, changes in exchange rates may play a role. In many cases, countries provided CRS their Kosovo contributions in U.S. dollars. Some submissions, however, were reported in foreign currencies, and have been converted into U.S. dollars based upon exchange rates prevailing shortly before this report was published. There may therefore be relatively small discrepancies or variations among contributions based upon exchange rate fluctuations.

Differences in national accounting practices may constitute a more significant source of uncertainty. There is a great deal of variety in the structures and time periods of the budgets of NATO members. This has created certain problems for making direct comparisons. For example:

⁶Address to the Nation by the President. June 10, 1999. White House web page: [<http://www.pub.whitehouse.gov/uri-res/I2R?urn:pd:/oma.eop.gov.us/1999/6/11/1.text.1>]

⁷Yugoslavs Begin Kosovo Retreat. By Thomas W. Lippman. *The Washington Post*. June 11, 1999. p. A1.

⁸European analysts have argued that, under this definition, they have paid far more on regional security in recent years — especially through generous assistance programs to Eastern Europe and Russia — than has the United States. See: Sharing Common Risks: The EU View. By Lionel Barber. *Europe*. March, 1998. p. 9.

⁹U.S. Department of Defense. Report on Allied Contributions to the Common Defense. A Report to the United States Congress by the Secretary of Defense. March, 1999. [http://www.defenselink.mil/pubs/allied_contrib99/toc.html]

- Some NATO members have combined military (especially peacekeeping operations) and non-military (especially humanitarian) assistance.
- Some governments have provided the estimated amounts that they spent up to the date of submission, while other governments have given estimates for entire calendar years.
- Some countries have specifically identified incremental costs, that is, costs over and above the normal operational and maintenance expenditures for their militaries; however, the criteria used to define such expenditures may differ from country to country.
- Some governments have not separated their bilateral assistance to Kosovo from assistance provided through international organizations such as the EU or various United Nations (UN) agencies.
- In some cases, funding refers to regional aid, including not only for Kosovo, but for the rest of Yugoslavia and for neighboring countries such as Macedonia and Albania.

Differences arising from these factors might alter somewhat the relative contributions of the member states. Accounting differences notwithstanding, these figures may provide a useful snapshot of the costs incurred by NATO allies in responding to the latest Balkan crisis. The following sections describe the military and non-military support that has been provided and/or pledged by members of the alliance.

Costs of Military Operations

According to estimates provided by the Department of Defense (DOD) Comptroller on December 3, 1999, U.S. costs of the air campaign, the KFOR peacekeeping operation, and refugee assistance through September 30, 1999, total \$2.95 billion. These figures do not, however, include funds to replace munitions used in the campaign, to improve munitions stockpiles, and to restore the readiness of units affected by, but not directly involved in, operations against Yugoslavia. In all, Congress appropriated \$2.10 billion for these purposes, and senior Pentagon officials have said that the Defense Department expects to use all, or almost all, of this amount. When these figures are added, estimated U.S. costs of Operation Allied Force, Operation Joint Guardian/KFOR, and DOD-provided refugee relief in FY1999 total \$5.05 billion. Table 1 summarizes these, and some related costs.

**Table 1. Incremental Costs of U.S. Kosovo-Related
Military Operations, FY1999**
(millions of dollars)

Operation Allied Force/KFOR	
Operation Noble Anvil (Operation Allied Force – Air War)	1,775.7
Joint Guardian (KFOR)	1,050.2
Sustain Hope (DOD-Provided Refugee Relief)	124.6
Readiness and Munitions Contingency Reserve	1,100.0
Procurement of Munitions	697.9
Operational Readiness Response Account	300.0
Total	5,048.4
Pre-Allied Force Operations	
Balkan Calm (Diplomatic Observer Mission Before Air War)	34.6
Eagle Eye (Air Verification Mission, October 1998-March 1999)	20.3

Sources: Department of Defense Comptroller, December 3, 1999; P.L. 106-31.

The Administration has not yet provided formal estimates of costs of peacekeeping operations in Kosovo in FY2000, but officials expect to submit a supplemental appropriations request in February, when the FY2001 budget request is released. In a September 9 briefing for the House Appropriations Committee, officials provided a preliminary estimate that the peacekeeping operation in Kosovo will cost the United States \$2.04 billion in FY2000.

NATO nations provided cost estimates for military operations in a variety of formats, making direct comparison difficult. Some aggregated the costs for all Kosovo-related operations carried out by their armed forces, whether military or humanitarian in nature. Others identified the costs of specific operations. Hungary and Greece did not contribute military forces to the NATO air offensive, but provided logistical support (airbases and port facilities) for which there are no cost estimates. The time-frame covered by these estimates also varies. For example, the United Kingdom's estimate included expenditures only through July 1999, and made no projection for continuing peace-keeping operations; Italy projected peace-keeping costs through December 1999, but did not provide costs for *Allied Force*; and France provided a *per annum* projection for peace-keeping operations. Each nation's estimate reflected only incremental costs, i.e., those over and above normal operating costs; however, nations vary in how they calculate these costs, and CRS has not been provided the details of these calculations.

For command purposes, Kosovo-related military activities are divided into discrete operations mentioned above. They are:

- *Operation Allied Force* – Air offensive conducted in Serbia and Kosovo (March 25-June 10).
- *Operation Allied Harbor* – Kosovar refugee assistance in Albania and Macedonia (April 14-September 1).
- *Operation Joint Guardian* – Peace-keeping operations in Kosovo (June 11-present).

To summarize the estimates received from the embassies:

Belgium. The Belgian government has not provided military cost information for Kosovo operations.

Canada. The Canadian government has not provided military cost information for Kosovo operations.

Czech Republic. The Czech Republic's military did not participate in *Operation Allied Force*, but provided a field hospital and established a refugee camp in Albania at a cost of \$8.5 million. The Czech government estimated that its participation in *Operation Joint Guardian* through 1999 will cost \$15.5 million.

Denmark. The Danish government estimated its total costs for military Kosovo-related operations for 1999 to be \$57-59 million, and provided the following cost breakout: *Operation Allied Force* – \$6.8-7.4 million; *Operation Allied Harbor* – \$4.0-4.8 million; *Operation Joint Guardian* – \$46.2 million; Adriatic Sea mine-clearing – \$272,000.

France. The French government estimated that its total cost for *Operation Allied Force* was \$203.2 million, and that its participation in *Operation Joint Guardian* will cost approximately \$192 million per year.

Germany. The German government estimated that its Ministry of Defense spent \$454 million on Kosovo-related operations, both military and humanitarian, as of September 1999, noting that additional incremental costs are still being determined. The Ministry of Defense also estimated that 2000 Kosovo operations will cost \$910 million.

Greece. Greek military forces did not participate in *Operation Allied Force*, although Greece did provide logistical support through the use of its port facilities in Thessaloniki. There were no estimates, however, of the costs of this contribution. The Greek government estimated that its costs for participating in *Operation Joint Guardian* will be \$3.3 million a month, or about \$40 million a year.

Hungary. Hungarian military forces did not directly participate in *Operation Allied Force*. Logistical support was provided to NATO aircraft using Hungarian airfields; however, a cost estimate for this support was not available. The Hungarian government estimated that its participation in *Operation Joint Guardian* will cost \$18.7 million in 1999.

Iceland. Iceland has no military forces, and consequently no military costs associated with Kosovo operations.

Italy. The Italian government provided no cost estimate for its participation in *Operation Allied Force*. It estimated that its costs for *Operation Allied Harbor* and *Operation Joint Guardian* will be \$222 million through 1999.

Luxembourg. Luxembourg has had no direct military participation in either *Operation Allied Force* or *Joint Guardian*.

Netherlands. The Dutch government's cost estimate for both *Operation Allied Force* and *Operation Joint Guardian* (through August, 1999) totaled \$107.5 million.

Norway. The Norwegian government estimated its costs of participation in *Operation Allied Force* at \$19.1 million, and forecast that participation in *Operation Joint Guardian* will cost \$94.9 million through 1999, and \$164 million in 2000.

Poland. The Polish government estimated its military expenditures (1999) at \$2 million for *Operation Allied Harbor*, and \$9.6 million for *Operation Joint Guardian*.

Portugal. The Portuguese government estimated the cost of its participation in *Operation Allied Force* to be \$6.0 million, and an additional \$65,000 on *Operation Allied Harbor*. Costs for *Operation Joint Guardian* were expected to total \$44.85 million through 1999.

Spain. The Spanish government's cost estimate for its participation in *Operation Allied Force* totaled \$23 million, and its costs for *Operation Joint Guardian* were expected to total \$57.3 million through 1999.

Turkey. The Turkish government estimated its costs for *Operation Allied Force* to be \$26 million, and that its participation in *Operation Joint Guardian* will cost \$30 million annually.

United Kingdom. The British government estimated its costs for all Kosovo-related military operations through July 1999 to total \$136 million. Longer term cost forecasts were not available.

Non-military Initiatives

NATO Humanitarian Assistance to Kosovo

U.S. assistance committed to Kosovo between March 1998 and November 1999 is an estimated \$452.63 million. This amount includes \$120.37 million from U.S. Agency for International Development (USAID) Office of Foreign Disaster funds, \$70.60 million in Food for Peace commodities, \$12.48 million in USAID Office of Transition Initiative funds, \$201.24 million in Department of State refugee funds, and \$47.95 million in DoD humanitarian assistance funds.¹⁰ The total also includes U.S.

¹⁰U.S. Agency for International Development, Bureau for Humanitarian Response, Office of (continued...)

cash and material contributions to U.N. agencies and to bilateral and private voluntary organizations. It does not include the cost of resettling refugees in the United States.¹¹

Several factors complicate the measurement of humanitarian contributions of other NATO states to alleviating the Kosovo crisis:

- The needs are wide-ranging, often uncertain, and changeable. A request for particular supplies may be rescinded on a closer needs assessment or changed circumstances, or a crisis may develop requiring new assistance quickly.
- There is no single, timely source for reporting all humanitarian contributions. In recent years, U.N. humanitarian assistance agencies instituted joint appeals for funds, which allowed donors to report their U.N. contributions through the U.N. Office for the Coordination of Humanitarian Affairs (UNOCHA), but this information is several months out of date, and does not include bilateral aid.
- For a variety of reasons, pledges are not always matched by actual contributions.
- Expenditures for humanitarian aid may extend to countries far from the disaster.
- Some European countries channeled much of their assistance through international organizations such as the U.N. or EU. Contributions to Kosovo from those bodies may not be broken out by individual countries.

As noted above, data on NATO member humanitarian aid expenditures for Kosovo were provided to CRS by the governments of those countries. The responses have different levels of comprehensiveness; many, for example, did not include costs for hosting Kosovar refugees. In addition, not all of the responses clearly separated humanitarian contributions from reconstruction or military expenditures. Therefore, the following information provides only a very rough estimate of the amounts and types of humanitarian assistance provided.

Belgium. The Belgian government has not provided information on humanitarian assistance for Kosovo.

Canada. The Canadian government has not provided information on humanitarian assistance for Kosovo.

¹⁰(...continued)

U.S. Foreign Disaster Assistance. Kosovo Crisis Factsheet #131. December 10, 1999. Note: not all DoD expenditures are included.

¹¹For information on the refugee resettlement in the United States, including the Kosovars, see: U.S. Library of Congress. Congressional Research Service. *Refugee Admission and Resettlement Policy: Facts and Issues*. By Joyce Violet. CRS Report 98-668 EPW. Updated October 22, 1999.

Czech Republic. In addition to the military medical assistance spending cited above, Czech aid provided through June 10 included asylum for 1,000 refugees and for their return valued at \$9 million, and humanitarian assistance valued at \$5.6 million. Additional assistance was provided by the government through non-governmental agencies, but was not assigned a monetary value.

Denmark. The Danish government estimated its costs as of July 13 at \$42 million for asylum, and \$79-91.6 million for humanitarian and development aid; these sums exclude contributions through the European Union, but include voluntary contributions to U.N. agencies.

France. According to information provided on July 29, French humanitarian aid to Kosovars throughout the Balkans totaled \$216 million in 1999. In addition, private aid from local governments, voluntary agencies, and companies totaled \$23 million. France also resettled 6,500 Kosovars in France at the request of the U.N. High Commission for Refugees (UNHCR).

Germany. Germany on August 19 estimated its 1999 humanitarian and reconstruction assistance at \$158 million in bilateral expenditures (including \$32.3 million from the Ministry of Defense), \$5.4 million from the Government of Bavaria, \$161.4 million in multilateral contributions, and \$162.2 million in private donations. In addition, care of refugees and asylum seekers in Germany cost the government approximately \$256 million for 1998 and 1999.

Greece. According to April figures, Greece provided food, medical supplies, tents, prefabricated houses, clothing, ambulances, and built three refugee camps, valued at more than \$10 million. This sum did not include Greek contributions to the EU, nor did it include private assistance through non-governmental organizations, local governments, and church groups. The government also noted that the war had reduced trade, tourism, and investment income in Greece by an estimated 0.2% of GDP.

Hungary. The Hungarian government estimated that, from April-July 1999, it provided food and medical supplies valued at \$1.7 million, and provided aid and shelter to refugees for \$990,000. The Hungarians also noted that they had supplied a 35-member medical team which has not been valued.

Iceland. The Icelandic government has not provided information on humanitarian assistance for Kosovo.

Italy. As of June 30, 1999, Italy had provided approximately \$75 million in non-military aid to Kosovo and about \$91 million in aid by the military to a humanitarian program called *Operation Rainbow*. The non-military costs included establishing refugee camps and field hospitals in Albania and providing humanitarian assistance using both military and leased ships and aircraft. Private Italian donations to *Operation Rainbow* were over \$84 million. An additional \$6.1 million dollars worth of food and medical supplies was provided through various channels. The government also allocated \$2 million in emergency aid for refugees in Macedonia, and \$5.5 million for humanitarian aid in Montenegro. At the time of the report, Italy was

prepared to implement a \$66 million project to provide assistance and shelter to returning refugees.

Luxembourg. Luxembourg's government estimated its humanitarian contributions to the Balkan region (through May 25, 1999) at \$7.32 million. This includes contributions made through international organizations, bilateral aid, and contributions through private voluntary agencies.

Netherlands. The Dutch government has not provided information on humanitarian assistance for Kosovo.

Norway. As of July 30, Norway had contributed \$73.5 million in bilateral and multilateral humanitarian assistance and \$8.5 million through the Organization for Security and Co-operation in Europe (OSCE) in 1999. In addition, the government spent approximately \$153.8 million for refugee and family reunification in Norway, \$5.8 million for repatriation of refugees to Kosovo, and \$20.5 million for refugees arriving in Norway on their own.

Poland. The Polish government estimated that, from the period April through June 1999, its non-military Kosovo-related expenditures were: \$1.4 million for refugee asylum, emergency aid, and resettlement, and \$1.5 million for humanitarian assistance to Kosovars in the Balkans.

Portugal. According to information received from the embassy on July 6, Portugal provided cash contributions to humanitarian agencies of \$500,000; and food, clothing, and transport for the Red Cross valued at \$200,000. Portugal has also given food and other assistance to other agencies, and has accepted 513 refugees for temporary resettlement.

Spain. As of September 20, Spanish contributions to the humanitarian emergency in Kosovo totaled \$9.18 million; the sum was used to establish a refugee camp in Albania.

Turkey. The Turkish republic contributed \$8 million for non-military actions for Kosovo through the end of the bombing campaign, and \$6.6 million in humanitarian assistance to Albania and Macedonia.

United Kingdom. As of August 23, British spending on humanitarian assistance in Kosovo, Albania, and Macedonia—through U.N. agencies, non-governmental organizations, and bilateral programs—totaled \$45 million. This amount does not include the costs of resettling Kosovars in Britain at the request of the UNHCR, nor of giving asylum to those who came independently.

United Nations. NATO members also contribute to U.N. programs; in some cases, these contributions were itemized in embassy responses. The U.N. humanitarian appeal is a regional assistance program which includes Kosovo, Montenegro, Bosnia, Croatia, Macedonia, and Albania. The programs in Bosnia and Croatia address needs that predate the Kosovo crisis, including programs under U.N. responsibility through the 1995 Dayton agreement. As of September 30, the combined appeal for the region was \$939 million. This is the latest estimate of the

cost of U.N. programs in the region. Contributions to the combined appeal for the U.N. Balkans programs are recorded by the U.N. Office for the Coordination of Humanitarian Activities (UNOCHA). Not all donors report their contributions. However, according to the most recent UNOCHA report, dated September 30, the United States had contributed or pledged nearly \$234 million, or over 32%, of the \$712 million pledged or contributed to the multi-agency U.N. appeal at that time. The 16 other donors that are NATO members contributed or pledged over \$152 million, or 22 percent.

European Union. In addition to individual national assistance and multilateral aid through the EU (see below, pp. 12-13), the NATO countries contributed to the United Nations programs through the European Community Humanitarian Office (ECHO). The ECHO contribution was \$111 million, or 15.5%.

The NATO countries have contributed in other ways to the Kosovo humanitarian emergency. Humanitarian assistance provided by NATO military personnel is not included in any of the previously mentioned sources, and the information that NATO itself provides often does not include the value of such aid. Other NATO country responses to the Kosovo humanitarian emergency include giving asylum to those who fled the country.¹² Finally, responses to the disaster in Kosovo by NATO governments also included providing staging areas such as airports, ports, and other logistical facilities needed to deliver aid. This assistance, often provided at the expense of domestic users, should also be considered as donations made by governments. Italy, Greece, Turkey, and Hungary were the countries most often mentioned in this context, but none of these countries has provided a monetary estimate of the value of these contributions.

¹²Press coverage of the flight of some 780,000 Kosovars who sought refuge within the region noted that Turkey volunteered facilities for 10,000 almost immediately; nearly 12,000 eventually entered Turkey. Between January 1998 and May 1999, an additional 146,000 sought asylum in other European countries. About one-third of these went to Germany, where they received housing and financial aid. The nine NATO countries included in the UNHCR list of asylum countries accepted 70 percent of the fleeing Kosovars. The state and local governments of some NATO countries are providing direct assistance to homeward bound refugees, either through individual stipends to refugees, or through grants to local voluntary agencies in the Kosovo. Of the 91,000 additional refugees evacuated from Macedonia at the request of UNHCR between April and July 1999, 65,000 were resettled in European NATO countries, including 8,300 in Turkey. (The United States resettled about 13,000.) Many refugees required expensive medical care. In addition, an unknown number of Kosovars have been entering European countries illegally. Italy, a short boat ride from Albania, has a large illegal population of Kosovars and Roma (Gypsies). This has had both economic and political costs for the Italian government.

Reconstruction and Development Assistance¹³

Once the war ended, the international community turned its attention to reconstruction and development. The war caused severe damage and disruption to Kosovo's housing, transport, power, and other public works infrastructure. It also eliminated the legal and institutional structures that provided law and order, tax revenues, and the like. Reconstruction assistance seeks to restore the essential functions of government and vital infrastructure, but it also encompasses the creation of governmental and private sector structures that may not have existed previously in the same form. These would include efforts to assist Kosovo in establishing a non-corrupt, free market economy, and an equitable system of governance.

Early efforts at reconstruction have sought to meet immediate needs—to support the civil administration, including restoring essential services such as garbage collection and public transport, training the police force, and instituting customs collection. Funds are also expected to meet urgent housing repair needs (an estimated half million people face insufficient shelter this winter), and promote peace, the media, and democratization. Some of these efforts are difficult to separate from the “pure” humanitarian programs that feed returning refugees and provide minimal preparation for winter. As a result, there may be some overlap in counting donor contributions for one purpose or the other.

On July 28, 1999, donors met in Brussels to discuss humanitarian aid and this first effort at reconstruction – short term assistance providing for basic human needs – and pledge contributions. Following submission of detailed assessments of long-term needs by the European Commission and the World Bank, among others, a second conference was held in Brussels on November 17, 1999, to discuss strictly long-term reconstruction and development needs.

The first donor conference was attended by more than 100 countries and international organizations. Only one third of the pledge total of \$2.2 billion (i.e. \$756 million) was for reconstruction assistance, including support for a civil administration. The remainder was for humanitarian aid. Further, of the total, \$475 million in funds had already been expended or was “firmly pledged” for the first half of 1999.

The U.S. contribution of \$557 million (of which \$278 million could be characterized as reconstruction aid) was based, according to the Special Adviser to the President on Kosovo, Ambassador James Dobbins, “on the assumption that others also contribute proportionately.” With regard to the pending reconstruction and development effort, the Ambassador said that the United States expected Europe “to do more than their normal share” (July 28 press conference).

At the conference, the European NATO members and the European Union, to which most contribute, pledged a total of \$1.2 billion, of which \$248 million was

¹³For more detailed discussion, see: U.S. Library of Congress. Congressional Research Service. *Kosovo: Reconstruction and Development Assistance*. By Curt Tarnoff. CRS Report RS20362. October 22, 1999.

reconstruction-related. The European Union has announced that it will provide another \$500 million in each of 2000, 2001, and 2002 for reconstruction purposes.

Initial conference pledges have changed since July, with some countries moving their reconstruction funds to humanitarian uses. As of October 1999, the total reconstruction pledge, based on the July conference, had fallen to \$542 million.

At the second donor conference in November, a total of \$1.1 billion was pledged, almost all for reconstruction and development-related purposes. Of this amount, the United States pledged \$157 million. The U.S. pledge met a requirement of the FY2000 foreign operations appropriations bill, H.R. 3422, that the United States share of total costs be no more than 15 percent of total donations. The European Community and its individual members together pledged \$759.3 million.

In addition to efforts directed at Kosovo, the allies and others, including Russia, are seeking to invigorate the whole of the Balkans through a Balkan Stability Pact that will address security, democracy, and economic development issues. Although the launching of this Pact at a conference held in Sarajevo on July 30, 1999, was not a donors' conference, the United States used the occasion to announce its contribution to the region's economic development. The U.S. effort would emphasize trade and investment programs, providing \$50 million in grants for technical assistance and an unspecified amount in guarantees and credit to leverage several hundreds of millions of dollars in the face value of private sector investment. The United States already has provided about \$100 million in balance of payments assistance to frontline states hit hard by the war.

Although the European Union and its 15 individual member countries, of which 11 are also NATO members, are likely to announce their own regional initiatives during the next several months, assistance in 1999 from the EU alone has amounted to roughly \$761 million. Humanitarian aid accounts for a little more than a third of this sum, and the remainder, \$488 million, is balance-of-payments support and technical assistance.

Conclusions

The above summaries demonstrate that nearly all of the NATO member states have made significant contributions to alleviating the crisis in Kosovo. The summaries indicate a wide variety of activities aimed at helping Kosovars, particularly in non-military matters. As noted above, statistics for humanitarian aid, refugee relief, and reconstruction assistance are particularly difficult to collect and compare because the numbers change frequently, because countries gather different data, and because the majority of non-U.S. assistance is funneled through international organizations such as the United Nations and the European Union.

Table 2 below presents, for military expenditures, the amounts provided by NATO embassies to CRS. For non-military expenditures, the amounts shown represent total pledges at the July 28 and November 17 donor conferences. Pledges do not always match amounts claimed by the embassies; in some cases, contributing

countries did not report pledges at the conferences. Further, many embassy figures do not count November pledges of future spending. Embassies may also have counted their country's contributions through the EU, which are separated out in the conference tables. Pledge numbers, rather than those provided to CRS by the embassies, have been used in this table because they represent the amounts that the countries reported to a common source, using roughly the same definitional criteria, and including funds expected to be spent in 2000. The amounts in this column include bilateral humanitarian, reconstruction, and U.N. administration contributions. They do not include individual countries' contributions to the European Union. A separate line has been provided for the European Union, as it is impossible to disaggregate contributions to the EU by the NATO countries.

Finally, it should be emphasized that the numbers in this table should be regarded only as a rough guide to contributions until more complete information becomes available. These numbers should not simply be added together to reach a total, as they often cover different time periods.

Table 2. Estimated NATO Member State Contributions to Kosovo Crisis

State Member	Military Expenditures	Humanitarian/ Reconstruction Assistance
Belgium	N/A	0
Canada	N/A	62.5
Czech Republic	Refugee assistance: 8.7 <i>Joint Guardian</i> (1999): 15.5	0
Denmark	<i>Allied Force</i> : 7.4 <i>Allied Harbor</i> : 4.8 <i>Joint Guardian</i> : 6.2	109.4
France	<i>Allied Force</i> : 203.2 <i>Joint Guardian</i> (p.a.) [*] : 192.0	59.3
Germany	All Operations (1999): 454.0 <i>Joint Guardian</i> (p.a): 192.0	180.8
Greece	<i>Joint Guardian</i> (p.a.): 40.0	0
Hungary	<i>Joint Guardian</i> (1999): 18.7	0
Iceland	No military participation	0
Italy	<i>Allied Force</i> : N/A <i>Allied Harbor/Joint Guardian</i> (1999): 222.0	10.6
Luxembourg	No military participation	17.0

State Member	Military Expenditures	Humanitarian/ Reconstruction Assistance
Netherlands	<i>Allied Force/Joint Guardian:107.5</i>	96.5
Norway	<i>Allied Force: 19.1 Joint Guardian (1999): 94.9</i>	50.4
Poland	<i>Allied Force: 9.6 Joint Guardian: 2.0</i>	0
Portugal	<i>Allied Force/Harbor 6.0 Joint Guardian (1999) 44.9</i>	0
Spain	<i>Allied Force: 23.0 Joint Guardian (1999): 57.3</i>	22.4
Turkey	<i>Allied Force: 26.0 Joint Guardian (p.a.) 30.0</i>	40.0
United Kingdom	All operations (7/99): 166.0	190.1
United States	<i>Allied Force: 1,775.7 ** Refugee Assistance (1999): 124.6 Joint Guardian (1999): 1,050.2</i>	713.2
European Union	–	1,060.4

Sources: NATO governments; European Community/World Bank Economic Reconstruction and Development in South East Europe Information Bulletin.

* p.a. = *per annum*

**U.S. military costs reported here do not include \$2,097 million for munitions and to restore readiness of units not directly involved. See Table 1 above.