



United States General Accounting Office
Washington, DC 20548

National Security and
International Affairs Division

B-284889

March 16, 2000

The Honorable Ted Stevens
Chairman
The Honorable Daniel K. Inouye
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

Subject: Defense Budget: Funding for Southeastern Europe Defense Ministerial Initiatives

In 1996 a number of countries in southeastern Europe¹, with the participation of the United States, began a dialogue to build cooperation in the region and resolve disputes peacefully. This effort, which became known as the Southeastern Europe Defense Ministerial (hereafter referred to as the Ministerial), receives financial support from the United States. This report responds to your request that we provide information on the actual and planned Department of Defense (DOD) funding for activities sponsored by the Ministerial during fiscal years 1999 and 2000 and the sources of this funding. We obtained this information as part of a broader review that you requested of the costs incurred by DOD for its participation in military contingency operations in fiscal year 1999 and fiscal year 2000 to date and have issued a report providing preliminary information on these matters.²

RESULTS IN BRIEF

DOD funded about \$739,000 in activities sponsored by the Southeastern Europe Defense Ministerial from October 1998 through February 2000. The largest and most recent approved expenditure, \$500,000, was to fund use of an information management system by members of the Ministerial who are also members of the Partnership for Peace program. In 1994, the North Atlantic Treaty Organization

¹ The specific countries involved were Albania, Bulgaria, Greece, Italy, Macedonia, Romania, Slovenia, and Turkey.

² Defense Budget: Fiscal Years 1999 and 2000 Contingency Operations Costs and Funding (GAO/NSIAD-00-100R, Feb. 28, 2000).

(NATO) started the Partnership for Peace program, a cooperative effort for non-NATO-member countries, to promote democracy, expand cooperation, and strengthen relationships between NATO and non-NATO-member countries. The remaining \$239,000 was used to transport eligible Ministerial members which are part of the Partnership for Peace program, as requested by the Ministerial, to DOD-sponsored planning seminars in Bulgaria, Slovenia, and Macedonia and to support Partnership for Peace program members' participation in a civil-military emergency preparedness workshop hosted by Bulgaria for the Ministerial. Because DOD has indicated that it will fund some future Ministerial member participation in U.S. European Command exercises, further U.S. financial support is likely, but DOD has not determined the timing and amounts of such support. All funds spent to date came from DOD appropriations made available to facilitate participation in the Partnership for Peace program. According to a DOD official, DOD makes determinations on a case by case basis on whether activities requested by the Ministerial are eligible for funding under the Partnership for Peace program.

BACKGROUND

The Ministerial resulted from an effort by the Albanian Defense Minister in 1996 to create a forum for high level defense contacts within the region. The Ministerial's goals are to build cooperation among nations in the region, resolve disputes peacefully, and identify and meet specialized training needs for the member nations' armed forces. Members of the Ministerial include the defense ministers from nine countries--the United States, Italy, Turkey, and Greece, which are NATO members, and Slovenia, Romania, Bulgaria, Macedonia, and Albania, which are participants in NATO's Partnership for Peace program. The Ministerial has no official treaty or written agreement. It meets periodically to discuss regional issues and has sponsored initiatives such as improvements to the Partnership for Peace Information Management System and an emergency preparedness workshop for the Ministerial, including its Partnership for Peace members.

The Ministerial has also generated two new organizations: the Southeastern Europe Brigade and an Engineer Task Force. The brigade, an on-call force of about 3,000 military troops, would be available to support the United Nations, NATO, or other organizations for conflict prevention in the region. It would also be available to participate in peacekeeping and humanitarian operations. The United States has no commitment to provide any type of support for the brigade. The second organization, an Engineer Task Force, is an on-call force of between 700 and 800 military troops, which will provide emergency relief and humanitarian assistance. It can also be used in small-scale civic assistance projects for the participating nations. The United States will not provide any troops to the task force. However, the U. S. European Command plans to integrate the task force into its ongoing program of engineering exercises. In fiscal year 2000 Ministerial members will be invited to observe an exercise in Macedonia involving building reconstruction. In fiscal year 2001 Ministerial members will be invited to participate in an exercise in Albania that will involve building a bypass road.

FUNDING FOR MINISTERIAL EFFORTS

In fiscal year 1999 and fiscal year 2000 through February 2000, DOD reported that it has provided about \$739,000 to support the Ministerial and its activities. The bulk of these funds, \$500,000, were spent in late January, 2000, to support Ministerial requested activities for the Partnership for Peace Information Management System, which involved information technology support to facilitate the Ministerial's Partnership for Peace members' access to databases and to support online planning and coordination requirements. The remaining \$239,000 was used to transport eligible Partnership for Peace members, as requested by the Ministerial, to DOD-sponsored planning seminars in Bulgaria, Slovenia, and Macedonia and to support a civil-military emergency preparedness workshop hosted by Bulgaria for the Ministerial.

According to DOD officials, specific future U.S. funding requirements in support of Ministerial activities are unknown at this time. When the Engineer Task Force begins its participation in U.S. European Command exercises in fiscal year 2001, DOD will fund transportation of troops and possibly equipment for eligible Partnership for Peace member nations participating in these training exercises and costs such as lodging and meals that these nations incur during the exercise. According to DOD officials, the United States has no obligation to provide financial support should either the brigade or the task force actually deploy to participate in a peacekeeping or a humanitarian operation. Whether and to what extent the United States would actually provide financial support for such a deployment is unknown at this time.

According to DOD officials, all funds expended in fiscal years 1999 and 2000 in support of Ministerial activities came from DOD appropriations made available to facilitate participation in the Partnership for Peace program. According to DOD, these funds can be used for Ministerial requested events if the proposed DOD support for Ministerial activities are (1) validated by two offices within the Office of the Secretary of Defense—International Security Affairs and Strategy and Threat Reduction—and (2) the Defense Security Cooperation Agency determines that these events are an appropriate use of Partnership for Peace funds. The Defense Security Cooperation Agency manages the Partnership for Peace program funds appropriated to DOD. A Defense Security Cooperation Agency official told us that DOD makes determinations on a case by case basis on whether activities requested by the Ministerial are eligible for funding under the Partnership for Peace program.

SCOPE AND METHODOLOGY

To obtain the information contained in this report we interviewed officials at the Office of the Secretary of Defense and the Defense Security Cooperation Agency. We also reviewed documents detailing information about the Ministerial initiatives and their funding. We reviewed this information with DOD officials and made changes where appropriate. We performed our work from January through March 2000 in accordance with generally accepted government auditing standards.

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We are sending copies of this report to the Honorable Jerry Lewis, Chairman, and the Honorable John P. Murtha, Ranking Member, Subcommittee on Defense, House Committee on Appropriations; the Honorable William Cohen, Secretary of Defense; and the Honorable Jacob Lew, Director, Office of Management and Budget. Copies of this report will also be made available to others upon request.

If you have any questions on this report, please call me on (202) 512-3504. Principal contributors to this report were Steve Sternlieb, Assistant Director; Ann Borseth, Evaluator-in-Charge; and Alan Byroade, Senior Evaluator.



Carol R. Schuster
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